

The NATIONAL UNDERWRITER



no checkie - no shirtie!

We laugh at this joke and yet it has a serious imputation when applied to life in general. If you lose your salary check because of a personal accident you suffer just as if you had lost your shirt.

Travelers Modern Accident Insurance policies are a valuable substitute for a pay check. A variety of Accident sales material is available to help you build up a profitable Accident insurance account with The Travelers.

THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT

THURSDAY, OCTOBER 5, 1939

The Great American Woodsman



JOHN JAMES AUDUBON



HOME AT MILL GROVE, PENN.

John James Audubon was born near New Orleans on May 4th, 1780. His father, a French naval officer, soon thereafter went to Santo Domingo accompanied by his wife who died there, a victim of a negro insurrection. He returned to France with his son, and it was there that James spent his boyhood days. He was instructed in music, geography, mathematics, dancing, fencing, and spent two years studying art under Jacques Louis David, who painted the celebrated portrait of Mme. Recamier.

At the age of seventeen, he returned to America and took up his residence at Mill Grove on the Schuylkill, in Pennsylvania.

This, the first American home of the great naturalist and woodsman is a fine example of the 18th century country homes found in Eastern Pennsylvania with a pleasing combination of timber and field stone construction.

With knapsack and rifle, in canoe and flatboat, he travelled down the waters of the Missouri, Ohio and Mississippi, pausing at frequent intervals to sketch and study bird life. Lucy,

his wife, established a school and taught to enable him to continue his studies. Upon one occasion two hundred of his sketches were destroyed by mice. Three long years were spent in the woods replacing them.

In 1826, Audubon went to England to find a publisher for his life work—"The Birds of America." Within a week he was invited to exhibit his paintings in the Royal Institute and was proclaimed "The great American genius." Fame had at last singled him out and he was elected to membership in the most important societies of Science and Art in England and France.

The first volume of his great work comprising 435 plates in which 1000 birds were shown full size in minutest detail, was completed in 1830 and the entire work in 1839. It had cost \$100,000 to publish it. His residence on the Hudson was later known as Audubon Park. He died on January 27th, 1851.

★ ★ ★ ★

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry

The HOME INSURANCE
COMPANY
NEW YORK



Because of the nationwide publicity on Fire Prevention Week, the people are more conscious this month of the danger of fire . . . and the importance of adequate fire insurance. Active participation in fire prevention efforts brings an Agent valuable publicity that can lead to worthwhile business. North America's national advertising each month stresses the importance of fire prevention and fire insurance . . . and points to the North America Agents as the logical source of sound protection.

See our advertisement in the October
9th issues of Life and Time and the
October 28th issue of Business Week.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA

and the

INDEMNITY INSURANCE CO., of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$71,000,000

FIRE PREVENTION WEEK - OCT. 8-14

**GOOD
HOUSEKEEPING**
Prevents
FIRES

**SOUND
INSURANCE**
Prevents
LOSS

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

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MONTREAL

The NATIONAL UNDERWRITER

Forty-third Year—No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 5, 1939

\$4.00 Per Year, 20 Cents a Copy

Agents' Association in Annual Rally

Live Topics Are Treated at Boston Regional Parleys

Four Groups of Councillors Discuss Points of Current Importance

BOSTON.—One of the big features of gatherings of the National Association of Insurance Agents centers about the conference of the four large geographical groups or national councillors territorial conferences.

At the meeting of the central western councillors, G. W. Carter, Detroit, presided, with J. E. Bright, St. Louis, secretary. Some discussion arose over the policy of Paramount Fire. The point was made that this is primarily a company organization problem but that seemingly such organizations had not shown their hand. It was voted to ask the councillors in the four company organization jurisdictions to make inquiry as to what attitude these organizations would take when Paramount Fire applies for membership. It was stated that its plan means a diversion of business from other companies, and naturally agents will be affected, but first it becomes a company problem.

Flood Coverage Is Out

Chairman Carter stated that there is increased demand for property damage on the part of an assured where a steam boiler explodes on other property and damages that of the policyholder. He said that the companies are giving this question consideration. He said that flood insurance under the extended coverage policy is definitely out.

Selling the Reinsurers' Policy

The point was brought out that no company that is a member of a company organization has a right to reinsure any of the business of non-members unless they are specialty companies. It was said that company organization rules which agents are compelled to obey are being undermined by this unorthodox reinsurance practice. Some non-affiliated companies file rate deviations and organization companies will take part of the business through reinsurance. A delegate from Kansas called attention to the fact that the Farm Bureau Mutual, which has a reinsurance contract with a reinsurance specialty company, is selling chiefly the reinsurance company policy rather than its own in solicitation. It was voted to make a protest regarding this reinsurance practice.

It was reported by the Oklahoma delegate that HOLC policies are being

(CONTINUED ON LAST PAGE)

Good Membership Showing; Other Committee Reports

BOSTON, MASS.—Following the custom established in 1937, reports of committees of the National Association of Insurance Agents were not read at the sessions, but were released in advance and were available for discussion should any member wish.

Because of the secession of the Ohio association, second largest state body, there was much interest in the report of the membership committee, of which J. M. Crosby, Jr. Grand Rapids, Mich., is chairman. In spite of this tremendous handicap, the bulk of the loss was made up and the membership committee received general acclaim.

Membership Defection Cut

The National association had 14,916 members on Aug. 31, 1939, Mr. Crosby reported. This represented a net loss of 225 from the past year and indicated that the National association had made up all but a small fraction of the loss of over 1,000 caused by the withdrawal of the Ohio association early in 1939. An emergency membership campaign which began in July accounted for much of the recovery and Mr. Crosby said that by the time the convention assembled it was possible that last year's all time high of 15,141 might be regained.

The universal cooperation of the state associations with the membership committee is shown by gains in 39 states, Mr. Crosby reported. Quotas in the final membership drive were reached or exceeded by 14 states, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Massachusetts, Michigan, Missouri, Minnesota and Texas. Several others were expected to reach their quotas before the convention.

Iowa Gain Outstanding

Iowa, with a gain of 249, had the outstanding membership record. It more than doubled its members, starting with 219 and finishing with 468. At the beginning of the year the Iowa association had no members in over 40 of the 99 counties in the state, and today has members in every county. Texas, which showed an increase of 167, also deserves special mention, because it had a large membership at the beginning of the year, but made the state fully coextensive by bringing all associate members into the National association. Kansas, Minnesota and New Jersey were also praised by Mr. Crosby for their membership work.

There are now 10 state associations with over 500 members. California is the largest, with 1,315, followed by New York with 966 and Texas with 903.

Membership Literature

During the past year the membership committee distributed four items among state associations and local boards. They are the pamphlet, "Basic Fundamentals of a State Association Membership Campaign," "Who Would?" a membership

leaflet designed for distribution among prospective members, "Forty Reasons for Local Boards," treating the various aspects of a local board, including suggested constitutions and bylaws and "Fundamental Requirements for a Successful Local Board." Many state associations and local boards, Mr. Crosby said, have found this material very useful.

The courage with which the National association and its members faced the difficult problems and the serious threats of the past year, Mr. Crosby concluded, must make the true value of the organization clearer than ever. The agents of the country need the National association as they never did before and their response indicates that they recognize the necessity of supporting their organization. The day is not far off, Mr. Crosby hopes, when the legitimate agents of the country will seek membership in the association and no campaigns or drives will be necessary.

FINANCE

Although rendering more services than ever before and compelled by many emergency considerations to expend more money, the National Association of Insurance Agents is now operated at an average cost of \$5.57 annually for each member as compared with \$7.20 in 1932, C. Stanley Stults, Hightstown, N. J., chairman finance committee, reported. During the past year, for the first time in several years, demands on the resources of the National association resulted in the operating expense exceeding total income by \$7,204. Having built up a reserve in previous years, the association was able to pay the difference out of surplus and is withdrawing from surplus \$2,831 to meet next year's budget, which has been set at \$82,829, a decrease of \$3,150 under the 1938-1939 budget. At no time, Mr. Stults reported, have total expenses of the association ever exceeded the budget appropriation made at the beginning of each fiscal year. While it is obvious that the association cannot operate beyond its income indefinitely, there is nothing serious about the present situation. The National association is in excellent shape financially and so are the majority of state associations. There were only two unpaid current state balances at the close of the fiscal year. A number of states are now operating on the basis of setting aside in a trust fund out of current year's dues a sufficient amount to pay the national allocation for the following year as soon as it is certified. Mr. Stults expressed the hope that all other state associations would adopt a similar policy as rapidly as possible.

The finance committee report was much more detailed than in previous years. It included detailed statements

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Agency Convention Consists of Week of Intense Activity

Many Features of Interest Found at the Big Meeting in Boston

By C. M. CARTWRIGHT

BOSTON.—The annual meeting of the National Association of Insurance Agents got a strong flying start as the officers and members of the executive committee began meeting Friday morning. They held sessions Saturday, Sunday, Monday, Tuesday at scheduled times and were in special sessions at odd moments. Boston proved to be an attractive meeting point and brought a number who drove from all sections to the city. By Monday morning there was a large attendance. In the afternoon Monday there was a meeting of the executive secretaries and managers of state associations and local boards.

Advertising Men's Meeting

The activities this year were enhanced by the annual meeting of the Insurance Advertising Conference held in the Statler presided over by R. C. Dreher of the Boston and Old Colony. Tuesday was a particularly busy day.

The Massachusetts Association of Insurance Agents held its annual meeting at the Bradford Hotel starting with a luncheon participated in by the Boston Board.

W. O. Wilson, Richmond, Va., is awarded the Woodworth memorial, as being the member who has contributed most to the business during the year.

In the morning were the territorial conferences of the national councillors. E. J. Cole, Fall River, Mass., presided over eastern territory; McAllister Carson, Charlotte, N. C., southern; G. W. Carter, Detroit, middle western, and D. B. Goldsmith, San Diego, Cal., far western. At noon there was an advisory committee luncheon consisting of ex-presidents, presided over by C. F. Liscomb of Duluth. There was a joint luncheon and round table discussions for state association officers and National councillors, presided over by Sidney O. Smith of Gainesville, Ga., chairman executive committee. During the luncheon there were 11 table groups discussing various subjects. This was followed by the joint meeting of the entire number. Local board conferences started at 2:15 p. m., there being three such groups.

The annual get together was held Tuesday evening with President W. H. Menn of Los Angeles presiding. Distinguished guests and national leaders

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Bay State Agents Elect McGlynn as New President

Abbreviated Convention Is Held in Boston During National Association Week

BOSTON—The 40th annual convention of the Massachusetts Association of Insurance Agents held during the National association convention and with the Boston Board of Fire Underwriters as guests, drew 250 delegates to the Hotel Bradford Tuesday afternoon.

Proposed amendments to the National association constitution, the New Hampshire assigned risk plan and licensing of qualified agents and brokers program in Massachusetts were discussed. The local association went on record as approving the proposed change in the National association by-laws regarding the statement of purpose of that association and revised its own constitution to conform with National association listing of committees.

Officers of the Massachusetts association made it known Wednesday that Lee H. Tucker, paid executive secretary of the association, would terminate his connection with the organization Oct. 15. Mr. Tucker was originally engaged to serve from May 1 to Oct. 15, particularly to aid in pre-national convention work.

President Preston's Address

President Harvey R. Preston of Springfield, in his annual address commented on the increased membership, 79 new members having been added during the year, making a total net membership of 455. He also announced that steps are under way on the part of the New England Advisory Board to establish a two or three weeks school course for agents by some local college.

Robert A. Sullivan, president of the Boston Board, brought the greetings of that organization.

John K. Boyce, Amarillo, Tex., of the national executive committee, explained the proposed amendments to the National constitution and made it clear that they left to local state associations entirely the differentiation in memberships as to types of character of companies represented.

New Hampshire Plan

A. B. White of Keene, N. H., explained the New Hampshire assigned risk plan which provides that border line car risks, if convicted of more than one violation, would have to be assigned. If a car was refused by four companies it also went into the assigned risk class. The broker gets 10 percent of the commission, 2½ percent goes to the countersigning agent and the assigned risk pays 15 percent extra premium. The loss ratio of 150 cars during the past 15 months so assigned had been but 3 percent.

Commissioner Harrington of Massachusetts declared his interest in qualified agents and brokers had been to make certain the insurance business does not become a "racket." He said "the law never intended and we cannot tolerate a situation where officers of corporations or independent business men secure licenses for the avowed purpose of obtaining a deduction in their own insurance costs only." He made a plea for adequate compensation for agents who countersign policies and said "There is no justification for insurance companies insisting upon rates which include loading for profit for the insurance company

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Rate Cuts in N. Y. Are Effected

Principal Benefits Are to Dwelling and Apartment Class in Upstate Region

NEW YORK—Superintendent Pink of New York announces an adjustment in fire insurance rates which it is estimated will bring about annual premium savings amounting to \$2,000,000 or about 15 percent to 18 percent on risks affected. Within the last five years the readjustments of rates following trends of general loss experience have benefited property owners in New York state by an aggregate of \$7,750,000, Mr. Pink claims.

The rate reductions were filed by the New York Fire Insurance Rating Organization after conferences with the insurance department. They include reductions on residences (dwellings, apartments and their out-buildings, including contents) for all districts in the state outside of New York city having recognized paid or volunteer public fire protection. Rates on outbuildings of these classes in New York City are also reduced. The premium volume on these risks represent one-half of all fire insurance premiums on protected property outside of New York City.

Coinurance Reductions

There will be substantial reductions when properties are subject to a coinurance clause. Flat or non-coinurance rates will not be reduced on all of the classes. In estimating the annual savings at approximately \$2,000,000 it is presumed that the assured will take advantage of the lower coinurance rates.

It is proposed to reclassify the present grades for protected districts by substituting two new grades, viz: districts having paid fire departments and those having volunteer fire protection. In cities and towns having paid fire departments, the coinurance rates will be reduced to the level of those prevailing in New York city. In towns having volunteer fire protection the rates will be correspondingly reduced to levels .02 higher than in paid districts when written on a coinurance basis and .04 higher for flat rates.

Some of the greatest reductions, percentage-wise, result from the inclusion of outbuildings at the same rates as dwellings in the corresponding class. Extra charges over minimum class rates in all these classes will be discontinued for exposure, chimneys, roofs, number of families and frame rows. The definition of private dwellings as one limited to three families is made to apply statewide. The full protected status is extended to all risks located within reasonable corporate or fire and water districts, regardless of hydrant and department distances.

(CONTINUED ON PAGE 37)

Special Committee Named at Boston on Paramount Issue

BOSTON—The executive committee of the National Association of Insurance Agents gave out this statement regarding the Paramount Fire issue this week:

"The executive committee of the National Association of Insurance Agents at its January, 1939, meeting, in reviewing the proposed organization of the Paramount Fire Insurance Company, declared that it looked with disfavor upon practices by which insurance companies, although nominally independent, would actually create, through the medium of reinsurance, what might aptly be termed cooperative general agencies. Thus, also, the rules of good practices of both company organizations and local boards would frequently be circumvented.

"This position must of necessity apply equally to any company similarly operating. Therefore, at Boston, on Oct. 2, 1939, the executive committee appointed a special committee further to consider this aspect of the business and particularly certain information already compiled by the executive committee."

The executive committee appointed Lyman M. Drake of Critchell, Miller, Whitney & Barbour, Chicago; A. J. Smith, of Zweig, Smith & Co., New York; H. R. Preston of Goldthwaite, Preston & Olmstead, Springfield, Mass., members of the special committee.

Pink Lauds Record of Foreign Insurers in the U. S.

NEW YORK—In the course of his address as guest speaker at the opening of the 1939-40 educational course of the Insurance Society of New York here Monday, Superintendent Pink of New York paid tribute to the financial stability and efficient management of the foreign insurance companies operating in this country, 32 of which maintain United States headquarters in New York. He referred to the long and honorable carrier of these companies, and urged that a sportsmanlike attitude be shown them by their competitors; particularly at this time.

President J. J. King of the Hooper-Holmes Bureau was in charge of the society meeting.

During the 1938-39 season, President King stated, 1,643 students were enrolled by the society, of which number 1,265 sat for examinations. In the absence of W. F. Beyer, vice-president of Home, and chairman of the committee on prizes, awards were made by Vice-chairman R. E. Kip of the brokerage firm of DeLanoy, Kip & Swain.

Mutual Groups Hold Parleys in Chicago

Three National Organizations Discuss Current Situations—Variety of Sessions

NEW PRESIDENTS ELECTED

Federation of Mutual Fire Insurance Companies—L. H. Baker, vice-president Michigan Millers Mutual.

National Association of Mutual Insurance Companies—L. G. Purmort, secretary Central Manufacturers Mutual.

Mutual Insurance Advertising Sales Conference—W. C. Sampson, vice-president Employers Mutual Liability.

With "Organization" as the theme carried through all sessions, the Federation of Mutual Fire Insurance Companies convened in Chicago this week and at the same time the National Association of Mutual Insurance Companies and the Mutual Insurance Advertising Sales Conference conventions were held.

C. J. Robideau, North Dakota Mutual Tornado & Cyclone, La Moure, presiding as chairman of the windstorm group, said farm mutual insurance companies during the unfavorable economic period of the last seven years have paid 15 percent of their windstorm losses because somebody needed to have their property repaired. During the unfavorable conditions it has been convenient to resort to the insurance companies to keep buildings in repair.

At the meeting of the mill mutual group the discussion was around rating problems under the chairmanship of Glen Walker, president Millers Mutual of Texas. In the afternoon, in discussing "Recent Extension of Automobile Insurance Coverages," Ambrose B. Kelly, American Mutual Alliance, discussed the medical reimbursement endorsement now being written by some companies with the automobile policy. He said there is a tendency for companies to consider the bars are down and certain companies are issuing broader coverages which may result in eliminating or destroying the effort of the standard forms committee. There is a tendency to broaden the contract which may continue to a point where there will be open competition on forms as well as rates. Too broad coverage may mean large claims and a tendency to tighten on claims thus blackening the whole insurance business.

Situation in Washington

Harry P. Cooper, Jr., assistant secretary National association, spoke on "Our Work in Washington."

At the first meeting of the Federation Monday afternoon, G. W. Goble, professor University of Illinois, though booked to speak on "Insurance in European Countries" changed the subject and talked chiefly on the political situation there.

W. C. Sampson, vice-president, Employers Mutual Liability, Wausau, Wis., told his hearers that mutual companies must organize to bring policyholders and prospects up to the dotted line and to keep them there. His subject was "Advertising and Selling Mutual Insurance." "Your salesmen and your advertising are the features by which you are known to the public. Your advertising should go ahead of your salesmen to soften the way for them. A definite organized selling and advertising program

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THIS WEEK IN INSURANCE

National Association of Insurance Agents is holding its annual meeting this week in Boston. **Page 3**

Variety of subjects covered in reports of committees of National Association of Insurance Agents. **Page 3**

Secretary W. H. Bennett of the National Association of Insurance Agents sounded the keynote of the convention at the annual meeting in Boston. **Page 6**

W. H. Bennett, secretary National Association of Insurance Agents, outlines the plan of the National Board of Insurance Education. **Page 8**

President W. H. Menn of the National Association of Insurance Agents gives the report of the administration at the annual meeting in Boston. **Page 8**

Fire rate reductions, principally affecting the dwelling-apartment class in the upstate territory, are announced by Superintendent Pink of New York. **Page 4**

Executive committee of the National Association of Insurance Agents appoints a special committee to consider more fully Paramount Fire and similar projects. **Page 4**

Regional conferences of National Association of Insurance Agents attract special interest. **Page 3**

Reduction of 10 percent in rates for dwelling class in Illinois is to take effect Jan. 1. **Page 5**

Insurance Advertising Conference re-elects President R. C. Dreher and other officers. **Page 5**

W. H. Stewart tells National Association of Insurance Agents about various surety problems. **Page 19**

Accident and liability coverages compulsory under new federal pilot training program. **Page 21**

Automobile medical expense rider readily sold by few who push it. **Page 21**

John E. Benhn, sales promotion manager of American Credit Indemnity, points out need of credit insurance in these troubled war days. **Page 19**

"Ad" Men Reelect R. C. Dreher at Boston Convention

Varied Program Is Run Off at Insurance Advertising Conference Rally

By RALPH E. RICHMAN

BOSTON—R. C. Dreher, Boston and Old Colony, was reelected president of the Insurance Advertising Conference at the annual meeting here. All other officers were reelected and there is but one change on the executive committee. C. W. Van Bynum, Travelers, succeeds H. E. Taylor, American, on the executive committee. Those reelected are D. C. Gibson, Maryland Casualty, vice-president, and R. E. Brown, Jr., Aetna Casualty, secretary. The officers, Mr. Van Bynum, E. M. Hunt, Mutual Life, C. J. Fitzpatrick, U. S. F. & G.; A. A. Fisk, Prudential, and W. L. Lewis, Agricultural, make the executive committee.

Reminiscences were given by H. H. Putnam, John Hancock Mutual, in reviewing the contribution of personal salesmanship to insurance progress over the last 50 years. He predicts equally solid achievements for personal selling in the future.

Representing the insurance press on the program were Clifford De Puy, "Underwriters Review"; Don H. Clark, "Local Agent," and Jerome Van Wiseman, "American Agency Bulletin."

Mr. De Puy said 34 percent of life insurance prospects declared agents are too high pressure. Others objected to those who were just trying to make their quotas or go to Bermuda. Favorable reaction came principally from agents who knew how to program and analyze needs. Sixty-four percent of prospects gave this as a first reason for selecting their agents. Other factors and their proportion of buyer selection reasons were personality and friendship, 21 percent; company stability, 10; reciprocity, 2.

Fire and Casualty Reaction

One-third of the fire and casualty buyers objected to agents as too high pressure; 20 percent said they had never been personally solicited; 17 objected to sympathy and sharing solicitations, eight to telephone sales efforts, 7 to circular barrages; 6 to renewal by implied consent; three objected to failure of agents to have definite programs to present.

An agent's knowledge of his business induces 29 percent of fire and casualty buyers to select him. Other favorable factors are friendship and personality, 24 percent; responsibility of the companies, 14; prompt claim service, 11; age and experience of local agents, 10. Only 4 percent mentioned surveys as a factor influencing agency selection. These conclusions were all brought out by Mr. De Puy's examination of buyers in Iowa and reported by him.

Mr. Clark told of many interesting insurance methods in South America. He has recently returned from there.

Observations of Van Wiseman

Jerome Van Wiseman predicted that within the next ten years one-half the present insurance papers will disappear and few if any will take their place, but those remaining will have twice the present circulation and twice the present dollar volume of advertising revenue. He believes the prestige of company advertising men will greatly increase and they will develop many scientific methods of checking advertising results and sales

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Procedure for Insuring Sealed Corn Outlined

BOSTON — In relation to insurance on corn sealed under government loans, there was before a committee of the National Association of Insurance Agents considering the matter here, the present developments and conditions. Agents should immediately have the following information:

Where present certificates on 1937 and 1938 sealed corn are expiring the agent that has heretofore written the primary insurance should immediately see the farmer having the loan and write new certificates for a 12 months' term at the present rate of 40 cents per hundred. The movement should be made prior to the expiration of the present certificates in order that there may be no lapse of insurance protection. Prior to expiration of outstanding certificates it is permissible for the agent to cancel the present certificate pro-rate, and rewrite the same for a 12 months' term at the 40 cent rate. Where the anticipated value of the corn is in excess of the loan made by the government, the agent should write sufficient insurance to cover the loan, interest, and the farmers' equity. When this movement is completed the new certificate should go to the holder of the outstanding note.

Campbell Is Resident Head of Illinois Bureau

A special meeting of members of the Illinois Household Personal Property Floater Bureau was held in Chicago. Members of the governing committee were selected and M. A. Campbell, Automobile of Hartford, was appointed resident vice-chairman. Presiding at the meeting was W. F. Boylan, St. Paul F. & M.

Members of the governing committee are as follows:

To serve until the annual election in 1942: Automobile, Conn., St. Paul F. & M., North America, Federal, Agricultural.

To serve until the annual election in 1941: Home, Commercial Union, Sun, Continental, Hartford Fire.

To serve until the annual election in 1940: Royal, North British, Travelers Fire, Springfield F. & M., Pearl, National Retailers Mutual.

National Board 'Ads' to Cite Broker as Well as Agent

NEW YORK—Henceforward all magazine advertising of the National Board will suggest that in order to secure proper service such as stock companies offer, "your insurance agent or broker be consulted." Previously the advertising mentioned only the agent, a situation to which the brokers objected.

Mrs. Sheldon's Daughter Killed

BOSTON—W. M. Sheldon, vice-president of W. A. Alexander & Co. of Chicago, in charge of the fire insurance department, and Mrs. Sheldon, who were attending the convention of the National Association of Insurance Agents, were called home Monday by the sad news that Miss Laura P. Bryan, Mrs. Sheldon's eldest daughter, who had entered the University of Arizona at Tucson as a freshman, was killed in an automobile accident near the city en route to a sorority party. In the auto there were four girls, three of whom were killed and the other severely injured.

Mr. Sheldon was scheduled to participate in one of the group sessions on agency management.

New Mutual Directory

The American Mutual Alliance has issued the 1939 directory of mutual companies in the United States containing

License Difficulties Are Arising in California

Operation of the California department's bureau of investigation has shown there is misunderstanding as to the right of clerical help in the agents' and general agents' offices to countersign policies, Commissioner Caminetti stated. He said it has been the custom generally to have some person in the office who is not a licensed agent, solicitor or broker affix the agency name to a policy, adding the phrase 'by John Doe' for example. This is a misdemeanor under the insurance code. Compliance with the law may be effected by inclusion of the name of the clerk designated to countersign policies on behalf of a copartnership or corporation agent under the agency license, the fee for such inclusion being \$4 per name; by licensing the clerk designated to countersign policies on behalf of the agency as a solicitor, the license fee being \$4 per name, or by licensing of the clerk as a broker, the license fee being \$10 per name and statutory broker's bond being required.

Commissioner Caminetti is holding up issuance of approximately 1,000 agents and brokers licenses pending receipt of a ruling from Attorney-General Earl Warren as to whether or not, under the new fee law, he can issue the licenses without penalty.

Hardware Mutual Makes New Arrangements

Hardware Mutual of Minneapolis held a conference of its department managers and sales managers to outline the situation due to its withdrawal from the Federal Hardware & Implement Mutuals.

The Los Angeles office will be enlarged and set up as a complete underwriting, sales and policywriting unit with P. O. Wettleson in charge. Headquarters on the coast will continue at San Francisco, under A. L. Beach. A policywriting unit is being placed in Portland, Ore.

In the central department, branch and service offices will be maintained in St. Paul, Duluth, Omaha and Cincinnati. Later the Cincinnati office will have an underwriting and policywriting unit, servicing Ohio, Kentucky, Indiana and West Virginia. This office is supervised by P. W. Sellen.

A new underwriting service office has been established in New York. Other service offices will be opened in the east. The department is managed by M. W. Stockton with headquarters in Newark.

Fieldmen of Hardware Mutual will also represent its wholly owned subsidiary Hardware Indemnity.

Hardware Indemnity is licensed in New York, Ohio, Kentucky, Minnesota, Nevada and California. Application for license has been made in 15 additional states. It is planned that service and claim departments of Hardware Indemnity will be set up in the service and underwriting offices of the parent organization.

Master Asks More Time

KANSAS CITY, MO.—Special Master P. V. Barnett, who has been taking testimony on the Missouri rate controversy following the revelations concerning bribery, found he had to apply to the court for an extension of time. He said it will be impossible to digest the testimony and get the report in shape at the date set so that it may be another two or three weeks, at least, before anything is done.

The court granted Mr. Barnett until Nov. 1 to file his report on the testimony accumulated. The report originally was scheduled for Oct. 1, but the mass of evidence and exhibits made that impossible.

a summary of active insurance carriers. All companies are listed by states giving important information as to each.

Palmer Orders 10% Dwelling Rate Cut in Illinois Jan. 1

Hints Program of Acquisition Cost Control Is Next on the Agenda

Fire insurance rates on dwellings, apartments and contents under fire department protection in Illinois will be reduced approximately 10 percent effective Jan. 1 under an order issued to the licensed rating bureaus by Insurance Director Palmer.

Illinois policyholders will save approximately one million dollars a year in premium payments, Mr. Palmer estimates.

"The insurance department has made a very extensive study of insurance costs and losses by requiring each company licensed to transact business in the state to furnish complete data regarding all items of income and disbursement which enter into the cost of insurance, including commissions and brokerage," the department states. "Each item has been specifically analyzed to determine its reasonableness as the rate law in the Illinois insurance code requires that the cost of such insurance shall be just and reasonable and non-discriminatory."

Third Reduction Since '36

"This is the third reduction in dwelling house rates which the department has found warranted, the first being effected in 1936 when a reduction of approximately 5 percent was made and the second in 1938 when an average reduction of 10 percent was put into effect. Illinois policyholders are thus receiving the lowest rates consistent with the loss ratio, economical management and a reasonable profit."

"The insurance code imposes the duty upon the director to see that all the rules and regulations which affect the cost that policyholders pay for fire insurance shall be reasonable. The United States Supreme Court has held, in a recent opinion, that commissions are a part of the rate and affect the cost to policyholders."

"Therefore, a study has been made of production costs and it is the intention of the director to require all licensed rating bureaus to file reasonable rules and regulations to effect the stabilization of commissions and brokerage to become effective Jan. 1, 1940."

Last week Mr. Palmer made known his intention to order a reduction to a group of representatives of the Chicago Board and Illinois Inspection Bureau, at an all-day conference in Springfield. As a result of the conference Mr. Palmer modified somewhat the extent of the reduction that he intended to put into effect. He had intended to order a reduction of 15 percent. The conference was devoted entirely to the rate reduction program. Mr. Palmer is not offering a program of acquisition cost reform and control at this particular time.

The department was represented at the conference, in addition to Mr. Palmer, by H. A. Miller, Fred Mueller, W. M. Murray and Frank Young.

The company interests were represented by E. A. Henne, vice-president America Fore; H. A. Clark, vice-president Firemen's; R. M. Cunningham, vice-president Marsh & McLennan, and president Chicago Board; J. S. Glidden, manager, and R. A. Parker, assistant manager Chicago Board; C. W. Soderstrom, manager Illinois Inspection Bureau, and R. D. Hobbs, manager Western Actuarial Bureau.

Keynote Is Sounded by Bennett at Agents' Convention

Points Out Some Factors That Have Bearing on Middle Men

BOSTON—W. H. Bennett, secretary and general counsel National Association of Insurance Agents, made the keynote speech at the opening of the general meeting Wednesday morning asking the question, "Middle Man, What Now?" He said that determination of litigation in the United States federal court in Virginia brought by 34 casualty companies and three branch managers on the question of constitutionality of the resident agent and countersignature law brings rapidly to the front the problem of a uniform licensing law with respect to the soliciting and handling of insurance in the several states. He said that it appears that very little difficulty will be experienced in getting the fire companies, fire general agents and casualty general agents and brokers in an agreement on one of the important features of such a law, viz., the countersignature of policies by commission local agents. The question of proper division of commissions between the out-of-state producing agent or broker and the countersigning servicing resident agent presents a greater difficulty. If these two main questions can be settled, he said, the remaining section of a uniform law could be approached with reasonable probability of adjustment.

London Lloyds Big Deposit

Mr. Bennett said that a factor of uncommon interest has lately been injected into the insurance business because of removal from the war zone in London to New York City of \$40,000,000 deposited by London Lloyds, setting up a large fund for the claimed purpose of vesting title in an American trustee to safeguard U. S. creditors. Mr. Bennett spoke of a letter that he directed to Superintendent Pink of New York suggesting a study might embrace an examination of the trust deed, which Mr. Bennett understood was entirely different in form from the usual one required of alien companies that are regularly doing business in the state. Mr. Pink replied that Lloyds' intention is solely to subject the fund to the jurisdiction of the court in the interest of creditors and there seemed to be nothing in the general law or the insurance law to prevent it.

Mr. Bennett said, "Now we witness a strange anomaly of an alien insurance association doing a vast business in the United States and a larger volume of insurance in New York bringing into that state \$40,000,000 and depositing it in an insurance trust fund as reservoir to be used in insurance transactions."

Wants an Equality

"We are told that insurance premiums are to be deposited in that fund and that losses are to be paid therefrom with insurance checks or drafts drawn upon it by someone authorized to do so. This is all being done without Lloyds being licensed and yet not doing an insurance business." Mr. Bennett said that his objection to Lloyds has not been that it is operating in this country as an alien organization but that it carries on its operations wholly outside of the laws except in two states. The iniquity of this whole thing, he said, lies in the unfairness that arises where advantageous

(CONTINUED ON PAGE 35)

Rocky Mountain States Handbook Is Now Available

The Underwriters Hand-Book of the Rocky Mountain States has been published by THE NATIONAL UNDERWRITER covering Colorado, Idaho, Montana, New Mexico, Utah and Wyoming. It is a combination of the hand-book previously published by THE NATIONAL UNDERWRITER covering Colorado, New Mexico, and Wyoming with the books covering Idaho, Montana and Utah previously published by the "Underwriters Report" of San Francisco from which THE NATIONAL UNDERWRITER recently secured the rights to publish hand-books for these and the other Pacific Coast states. This new book contains 564 pages full of data which will be interesting and valuable to all who are doing business in the Rocky Mountain territory.

The agency department gives the complete list of all the agencies and agents in the six states as licensed by the insurance departments and shows for each agency the members of the firm, date established, address, list of companies represented and other business transacted, if any. This data is listed alphabetically by cities and towns and states so that the user has complete information in one spot on any one town. Also given is the complete list of Colorado brokers. In compiling this new book the publishers secured from the insurance department of each state the complete list of licensed agents and this information was further added to and checked in the field by the publishers' representatives who called on every agent in all cities and towns of 5,000 or more population. As a further check proofs of the information were mailed out prior to publication to catch last minute changes, thus insuring a most accurate and up-to-date compilation.

Complete Company Information

The company directory department gives complete information on all the companies licensed to operate in these six states: home office address, officers, field men, general agents, which of the states they operate in and organizations of which they are members. The list of fire field men and life and casualty general agents and managers are listed alphabetically in separate sections for easy cross reference.

The statistical department, 80 pages of closely packed data, gives premiums and losses for three years for the fire companies operating in Colorado and for one year for those operating in the other states. Two years' premiums and losses, classified by lines written, are given for the casualty companies operating in each state. Interesting totals of each class of business are also included.

Other features of the hand-book include: resume of the insurance laws of each state, a showing of the lines written by the stock fire and casualty companies, town classification as to fire protection, list of national and local insurance organizations together with officers and addresses, lists of adjusters and attorneys specializing in insurance work and many other valuable bits of information.

Covers All Branches

The Rocky Mountain Hand-Book covers all branches of the business—fire, casualty and life, stock, mutual and reciprocal and gives data on many organizations not found in any other reference book as they are too small or operate only locally.

This new book contains a great mass of information which is invaluable to anyone interested in insurance in these states and brings together under one cover in condensed, carefully indexed, concise form the complete data on these states insurance-wise which heretofore has not been available in such a comprehensive manner.

THE NATIONAL UNDERWRITER is now

Commissioner Knott Will Not Seek Reelection

TALLAHASSEE, FLA.—Commissioner Knott of Florida, serving his fifth term, announces that he will not seek reelection at the coming Democratic primaries and state elections. On his retirement date, Jan. 5, 1941, he will be in his 78th year and has been in service at the state capitol for 38 years. He retires on full pay of \$5,000 a year. No candidate for the place has been announced.

PWA Gives Attention to Fire Doors in School Stairways

WASHINGTON, D. C.—The engineering section of the PWA in its operation under the Federal Works Agency is taking cognizance of fire protection in the development of building regulations to be observed in structures erected with government assistance. It has been studying the operation of fire doors on school stairway enclosures and smoke-stop partitions. It claims that these doors should be of the self-closing type and normally be kept closed. This is the standard recommendation.

As a practical matter the PWA says it is very difficult to keep these doors closed. They are often found objectionable in school buildings from other points of view. They may introduce an element of inconvenience by retarding the movement of pupils. School authorities sometimes fear the possibility of injury to small children by swinging doors. The PWA says that it is a common experience for fire inspectors to find self-closing doors fastened open. Wooden wedges under the doors are commonly used for this purpose. This not only applies to school buildings, it says, but to structures of various other types of occupancy. The fusible link furnishes an added safeguard which should operate to close the door in time to prevent the spread of fire through it, the PWA says. A considerable volume of smoke may be developed before there is sufficient heat to operate a fusible link. Fire protection engineers are under no illusions concerning the value of this particular feature, the report says.

Another factor to be considered is that in the early stages of a fire in the ordinary school building, there would not be an excessive volume of smoke and it would naturally rise to the ceiling. With the ceiling height in the neighborhood of 12 feet and the door about 7 feet, the smoke would be likely to bank under the ceiling and not pass at once into the stairway enclosure.

Radio Program and Leaflet Issued by National Board

Widespread interest in "true or false" radio broadcasts is being capitalized on by the National Board in its Fire Prevention Week program offered for the use of fire chiefs and local agents who can arrange such a broadcast with local radio stations. The series of questions and answers will serve to provide information of a practical nature for the radio listeners as the answers go beyond the "true or false" and give a complete statement. This program is suitable also for production before an audience (in imitation of a radio program).

A new leaflet "Fire! Fire!" is available. It contains several photographs of actual fire hazards in homes, including most of the common fire dangers, from the attic down to the cellar.

preparing the Underwriters Hand-Book of California which will be available shortly. This new book, previously published by "The Underwriters Report" will also contain data for Arizona and Nevada and will be compiled with the same accuracy and completeness which has characterized other NATIONAL UNDERWRITER state hand-books.

Predict Court Fight in Texas on Mutual Cover

Both Sides Ready to Force Issue Following Attorney-General's Ruling

DALLAS — County and city officials and insurance men in several of the heavily populated sections of the state are still agog over the ruling of the attorney-general that political subdivisions of Texas can not permit mutual insurance concerns to write their fire insurance.

The ruling was made in connection with a deal the city of Dallas made placing one-third of its insurance with mutuals. The attorney-general held that to place fire insurance in such concerns made such political sub-divisions stockholders in the mutual companies and that that is prohibited by the state constitution.

At Dallas and Fort Worth a good portion of the city and county fire insurance has been given to mutual companies for years. It is reported the same situation obtains at Houston and Waco.

Tantamount to an Order

While the attorney-general's ruling was tantamount to an order that such contracts must be rescinded, there are indications that the opinion may "be ignored" in some of the north Texas counties. At the same time it is said any attempt on the part of the city and county officials to try to evade the ruling will meet with a court fight from the insurance men. In this fight it is claimed the attorney-general's department would be behind the insurance men.

The Dallas city council has announced it will meet soon to consider the ruling. It is believed the city may decide that since the "contract" has been awarded it will stand behind its action.

Situation as to Schools

For a good many years a lot of the public school property in the state has been insured against fire and windstorm damage in mutuals. While the ruling of the attorney-general did not mention schools, it is understood it applied to them, since they are considered "political sub-divisions."

It appears now there will be a court fight over the controversy. It is said any attempt of the city of Dallas to cancel contracts given the mutuals will meet with legal opposition, and that if the city does not withdraw business from the mutuals a mandamus will be sought compelling the city to comply with the ruling.

America Fore Officers Make Presentation to Culver

At a gathering of America Fore officers and executives in the office of Vice-president Frank A. Christensen, President Bernard M. Culver was presented a beautiful oil painting of himself, the surprise gift of the officers.

In unveiling the portrait and making the presentation on behalf of the officers, Vice-president Christensen said:

"In Mr. Culver we have not only the able, sincere and honest executive, but a human being who has the sympathy and understanding which has enabled him to win the devotion and unwavering loyalty of every employee. He is not the boss, he is the father of a large and happy family whose benevolent direction inspired us all to look up to him with admiration and respect."



FIRE BUG—harsh name for a cigarette forgetter. **LOYALTY GROUP** agents will insure against property loss—but a human life is a high price to pay for a habit. It's up to you to prevent careless fires.



Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee

Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
INSURANCE

Menn Hails Social Security, Va. Agent Law, CCC Victories

Renews Cooperative War, Assails Paramount Fire in Report to Agents

BOSTON, MASS.—In his report of the administration of the National Association of Insurance Agents, President William H. Menn, Los Angeles, listed as accomplishments of the past year the second victory in exempting insurance agents from social security taxes, the defeat of the plan to insure projects of the United States Housing Authority in mutuals, the abandonment of the self-insurance scheme of Commodity Credit Corporation on pledged corn, the lower federal court victory in the constitution-

ality of the Virginia resident agents law, providing for countersignature and division of commissions, the continued campaign against cooperatives and the program of cooperation with credit men's associations in insurance activities.

A comprehensive study of the resident agency law problem, he reported, is under way, although not finished. He described the opposition of the National association to the organization and operation of Paramount Fire and said that the problem was before the membership for any action deemed desirable.

It is the belief of the officers, Mr. Menn said, that vigorous protests against the toleration of insurance in unauthorized companies prevented the United States Housing Authority from making an immediate contract with the mutual group, which would have involved insurance on properties in many states where these companies were not admitted. The National association supported an amendment to an appropriation bill, providing that no insurance policy should be accepted unless written by a company licensed to do business in the state where the project is located. During the hectic closing days of Congress, this bill was lost in the scramble, but Mr. Menn promised that the National association would follow this activity.

In the federal case involving the Vir-

ginia resident agency law, Mr. Menn said that the National association was requested to help the Virginia agents and General Counsel W. H. Bennett devoted considerable time to the case. The 34 casualty companies and three branch managers, in whose names the action was brought, were defeated on every contested issue.

The entire scheme of cooperative buying should be protested as unsound and un-American, Mr. Menn continued, but there should be particular concern in the attack made upon insurance and the efforts to eliminate the local agent. Among the mass of literature prepared by proponents of consumers cooperatives are found a number of arguments for buying nearly all kinds of insurance without agency service.

Opposition to Paramount

Although not mentioning the company by name, the National association at the mid-year meeting at Hollywood, Fla., endorsed a statement of the executive committee that it looked with disfavor upon any company with its initial operations dependent upon complete reinsurance, writing only certain classes of desirable business and using the "coercive power of credit lodged in a financial institution." In June of last year Paramount Fire was admitted and licensed by the New York insurance department and has since been licensed in nine states. The executive officers of the National association issued a statement in July and reported the matter to the executive committee. The position of the National association is that it is hostile to the best interests of the insurance business for any company to aid an enterprise which combines the insurance agency business and the money lending business "in an operation so closely associated as to be one transaction."

"Since the birth of this association its membership has been following the banner unfurled by the fathers upon which was written that we are committed to support right principles and oppose bad practices in the insurance business," Mr. Menn said. "We believe the operations above described definitely fall under the indictment of a bad practice. Engaging in a bad practice by any insurance company cannot, under the principles of the National association, be considered other than a practice inimical to the best interest of the insurance business."

"We respectfully point out to company management in territorial organizations, that free and unlimited admission to membership of companies irrespective of moral practices is a disturbing factor and does not contribute to the stability of the insurance business."

"World conditions today point a strong lesson towards the destruction of civilization in direct proportion to the breakdown of moral and ethical practices on the part of those who seek more power at the expense of others."

Praises Committees, State Groups

Mr. Menn praised the work of the committees and the state associations, which, by intensive membership work, had made up approximately 800 of the 1,000 members lost by the secession of the Ohio association early this year. State association conventions are commanding a mounting interest and are constantly breaking attendance records. Mr. Menn praised as significant the number of short course insurance schools which have been held by several state associations. Results have been so outstanding that the matter is no longer an experiment but an established feature.

Mr. Menn noted with approval the new automobile rating plan of the National Bureau of Casualty & Surety Underwriters, which had long been urged by agents, particularly in rural sections.

Sherman Goodpaster, Kentucky commissioner, who, on a leave of absence, headed the speakers' bureau for Lieut. Gov. Johnson in the primary election, has been named head of the finance committee for Mr. Johnson in the fall campaign.

Educational Plan Aims to Establish Insurance Course

Secretary Bennett Outlines the Purposes of the New Movement

BOSTON—At the annual meeting of the National Association of Insurance Agents Secretary W. H. Bennett, in his keynote address spoke of the new educational program that the organization will sponsor. It is proposed, he said, to organize the National Board of Insurance Education and establish the College of Property and Liability Insurance in which to prepare and qualify men and women adequately and properly to represent the production subdivision of the insurance business. It is contemplated that the purposes of this board and this institution shall be:

Purposes Are Set Forth

1. To develop and promote a comprehensive national educational program, including the establishment of educational standards that would place within reach of every agent an opportunity for self development.
2. To serve as a source for inspiration, promotion, direction and advice for the entire educational work of the National Association of Insurance Agents in the interest of better insurance service.
3. To promote the establishment of uniform insurance courses in universities and colleges throughout the country.
4. To encourage universities and colleges to cooperate fully in a unified plan of extension courses and short course schools.
5. To prepare and promote, if found advisable, correspondence courses.
6. To develop and promote closer relations between local boards and credit associations, and other trade groups.
7. To encourage rural agents' forums.
8. To use every effort to promote better relations with the public.

How Institution Will Be Financed

Mr. Bennett said:

"It is further proposed that the National Board of Insurance Education and the college shall be sponsored, conducted and initially financed by the National association and the fire, casualty and surety companies, if such cooperation can be secured. The college must be operated as a non-profit undertaking. It is hoped that after the organization and initial development, it can be largely supported by the fees of the students. It is proposed as a compliment to this undertaking to foster, not only the establishment of complete insurance courses in schools and universities, but short courses as well, not forgetting the summer schools which have recently proved so interesting and advantageous."

"The possibility of such an advanced position to be taken by the National association, reveals an objective greatly to be desired by all the friends of insurance. If this program shall develop to the point of our ambition, we hope that in a few years the property owners and business men of America will find it to their material advantage to do business only with those who are worthy and well qualified."

Curtis B. Tartar, state agent of the farm department of Franklin Fire in Kentucky, announces the birth of a son, at the Baptist Hospital, Louisville. The new arrival is a grandson of George Cundiff, assistant manager farm department Home of New York, Chicago.



Blind Flying?

hardly that with the instruments available today—

and so in our business those who go safely and surely through troubled times are those who seek and study the indices and trends—it is no mere stroke of luck that has brought the *Yorkshire* through more than 100 years of trying conditions.

Will Wright
Field Correspondent

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GO in the fast lane
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AUTOMOBILE PREMIUMS

MESSAGE: 24 Hours, Anytime, State

If you were going away from home for a month's trip, would you lock nearly all the doors or windows—or would you lock ALL of them?

If you were patching up a rowboat before going on a fishing trip, would you plug up all the holes but one?

In both cases the answers are obvious. You would do a complete job so that your protection would be as nearly complete as you could make it.

Why not, then, exercise the same care in insuring your automobile?

For little more than the cost of Automobile insurance which affords but partial protection, you can have the far-reaching coverage described within, a policy which protects you ALL the way.

You might, perhaps, safely drive a car of the model of several years ago—but you can hardly afford to depend upon the limited Automobile insurance coverage which was then available and which has since been superseded by this modern, streamlined "Comprehensive" policy.

For full particulars—without cost or obligation—return the accompanying card (no postage stamp required) or call us on the phone.

Very truly yours,

AGENTS AND COMPANY IMPRINT HERE

ROAD IS ALWAYS CLEAR

TAKING CHANCES THAT

PROTECTION ALL THE WAY

Downside of where you travel in your car or of the care which you exercise in guarding the value it represents, unavoidable hazards are likely to appear unexpectedly along the way.

Insurance coverage against loss or damage to your car—coverage which protects you "all the way"—is available under the "Comprehensive" policy—supplemented with the optional inclusion, at moderate additional cost, of the Collision hazard, one of the most frequent causes of loss.

The hazards of Fire and Theft are, of course, included.

So also are many other hazards which, though perhaps less obvious, are frequent sources of loss: Windstorm, Explosion, Riot, Flood, Hull, Glass Breakage, Earthquake, Vandalism.

In short, with reasonable exceptions our "Comprehensive" Automobile policy, with Collision endorsement attached, covers against practically all risks—gives you protection ALL the way—and for little more than the cost of outdated, limited forms of insurance.

Can you afford to be satisfied with less?

Mail the reply card, or phone, and you'll find us ready to serve you—with information or with protection, whichever you may want.

Model: _____ Year: _____ Serial No.: _____ Make: _____

APPROX. _____

To assist them in the development of Comprehensive Automobile coverage, Royal-Liverpool agents have, among other sales helps, the unusual mail presentation here pictured.

Not an enclosure or "stuffer," but a dramatized and personalized 4-page letter, it arrests the prospect's attention with a "road-map" of this policy's many features and puts him in a receptive mood for personal solicitation.

For a wide variety of coverages Royal-Liverpool agents have the benefit of educational helps and merchandising methods that assist them to break through sales obstacles to INCREASED PRODUCTION.

May we tell you more about the production facilities which make it profitable for agents to represent Royal-Liverpool Companies?



ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

Now you can "Survey" YOUR SMALLER RISKS



HERE is an ideal book to use in surveying smaller risks such as mercantile risks and homes—a new addition to Millers National's sales helps.

Attractive? Yes, it is! And that is important, because showmanship is a requisite in selling. This book makes a survey presentation sparkle. It adds that certain something which motivates sales.

Practical? When completed the survey gives the insured a clear and concise picture of what insurance he has and what he needs. Simplicity of arrangement makes it easy for him to grasp the presentation. A visible expiration record set up through an ingenious cover arrangement is another practical feature.

Inexpensive? Cost is not a factor because a supply of these books is obtainable by Millers National agents very inexpensively.

Now you can "survey" your smaller risks because this book satisfies that need which has existed heretofore for a book of this type—a book which is attractive, practical, and at the same time, inexpensive.

Would you like to see a copy? Simply write to our Sales Promotion Department, 1321 Insurance Exchange Building, Chicago, and a Millers National fieldman will show you his copy the first time he is in your vicinity—without any obligation to you.

Established 1865
MILLERS NATIONAL
Insurance Company • CHICAGO
Service Headquarters for Alert Agents

VIEWED FROM NEW YORK

By GEORGE A. WATSON

FLEMING HAS BUSY SEASON

T. Alfred Fleming, conservation director of the National Board, returned to the New York headquarters Monday, after a swing of several weeks throughout the central west. He made addresses before the Ohio Safety Congress, Cleveland; the Toledo agents association and the Michigan agents association at Saginaw; filling in with talks at various chambers of commerce and Kiwanis gatherings. In the near future he will make another circuit and speak before a number of universities and colleges, which have shown interest in the matter of safe building construction, a subject upon which Mr. Fleming is competent to give expert counsel.

NO CHANGE IN RAILROADS

So far as the business of the Railroad Insurance Association is concerned, there has been no appreciable change in the character of its writings since the outbreak of the European war. The railways report increased loadings and profits as a result of improvement in industry, a process that will doubtless continue markedly should the war be prolonged. The roads are spending considerable money in buying new equipment and for repairs to that already owned; a process that in turn has a stimulating effect upon general industry. Fire losses on the roads thus far in 1939 have been more severe than was true of the like period of last year, a result that usually accompanies any marked increase in operations and the employment of more help.

W. L. CHAMBERS IS FETED

Willard L. Chambers, secretary of North British & Mercantile, was tendered a luncheon Monday by his associates in recognition of his 20 years of

service with the organization. U. S. Manager C. F. Shallcross presided. He started in the New York local department and three years later was made its manager. In 1930 he was made secretary of North British. In 1919 he was elected secretary-treasurer of the New York Fire Insurance Exchange, treasurer of the Suburban Exchange and treasurer of the New York Board. He is still treasurer of the suburban division. He is a director of the New York Board, chairman of the Bureau of Fire Prevention & Water Supply and a member of the executive committee of the Exchange.

WORLD SERIES BROADCASTS

In accordance with its custom the North British group is sending an invitation to brokers and agents to attend its radio broadcast of the world series games in the North British club room. A play-by-play description and illustration of the games is being given.

NASSAU COUNTY AGENTS RALLY

The Nassau County Association of Local Agents will hold its meeting at Mineola, L. I., next Friday. The guest speaker will be Vice-president T. V. Beams, Royal Indemnity, who will discuss "Recent Casualty Insurance Developments," stressing changes in the automobile policy. R. E. Thompson, Valley Stream, is the new president; E. A. Ashdowne, Hempstead, and J. A. Valentine, Mineola, vice-presidents; William Behrendt, Bellrose, treasurer, and George Helm, Freeport, secretary. The association has amended its rules to provide that after Aug. 31, 1940, only agents who represent capital stock companies writing at manual rates can become members.

Philadelphia Board Setup Is Revised

PHILADELPHIA—For some weeks a special committee has been rewriting the constitution and by-laws of the Fire Underwriters Association of Philadelphia. This work now has been completed by the sub-committee and now goes for approval to (a) the executive committee of the Philadelphia Board and (b) the Eastern Underwriters Association.

The new constitution, which is modeled after that of the New York Exchange, is said to be "an attempt to put more ethics into the business—for the policing of the business and to cut out as many existing bad practices as possible."

Committee of Six

The sub-committee which drew up the new constitution and by-laws was composed equally of company men and agents, three of each. They were Elmer Van Dusen, secretary State of Pennsylvania; John Glendening, resident vice-president Franklin Fire; Bradford Smith, assistant secretary North America; C. T. Monk, president of the Philadelphia Agents Association; J. K. Payne and G. V. Smith.

The completed draft marked another successful application of the "around-the-table-conference" plan to iron out differences between companies and agents adopted by the latter some years back. It is hoped that the new setup of the board will bring peace to Philadelphia and an end to the squabbles between the agents and the E. U. A.

The proposed regulations place the membership of the governing committee of the board at nine, of which five are to be agents and four company men. However, the governing committee is given more of a voice than it has had under the existing rules. It will be recalled that about a year and a half ago the

agent members of the committee resigned in a body because of the convention that the committee was not consulted at any time and was merely a "rubber stamp" for the companies. Since that time the committee has never been able to function, as it has always lacked a quorum. New members elected last year—all company men—refused to serve, as they felt that to do so would jeopardize the business they were receiving from agents as branch managers.

Little doubt is expressed as to the ultimate acceptance of the new constitution. The executive committee of the board is expected to take it up within the next two weeks and, at that time, pass it on to the E. U. A. for final approval.

Object to Form of Land War Risk Cover That Is Offered

A number of leading brokers and agents express discontent with the forms promulgated by the Explosion Conference for the insuring of war risk on land. The critics say that these forms do not take into consideration actual conditions in this country. There is no demand and no need, they declare, for full war risk coverage, inasmuch as the United States is not at war. What is needed is a form that will take care of loss or damage, they say, that might be caused by a sympathizer of one of the belligerent countries in a factory that was manufacturing goods destined for an enemy country. The sort of endorsement that covers such damage as that caused by the dropping of bombs from airplanes is not needed in this country and the brokers and agents find that assured are dissatisfied when the contract that has been promulgated is offered.

Representations are currently being made to the Explosion Conference in an effort to induce that organization to differentiate between the two classes of hazards and to issue a form that corresponds with the conditions as they exist in this country today.



PHOTO BY GENDREAU

TEAMWORK—*with the accent on 'WORK'*

You can hitch up the best-looking team in the county but if you can't get it to work you're just wasting time. In teamwork the accent is on "work"—not on the looks or the size of your horses or their records as individual performers.

To us "teamwork" means pulling together with our agents to produce results. It means working toward a common goal of more and better business. It means eliminating every non-essential in company-agency relationships and concentrating only on productive activities. In four words: It means common sense!

We must all—companies and agencies alike—face the fact that business is not as easy to get as it once was. We must recognize that the success of our combined interests depends in large measure on the success with which we combine our business-getting efforts.

The three companies in The London Assurance Group have made progress in good times and bad simply because they believed their most important job was to "help agents help themselves." That one phrase has become more than a slogan. It has become a business principle.

Why not write today to learn what helpful cooperation and common sense teamwork can mean to *you* as a representative of The London Assurance, The Manhattan Fire and Marine or The Union Fire, Accident and General Insurance Company!

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99 JOHN STREET

NEW YORK CITY

Clarkson to Home Office of National

Effective Nov. 1, Ellis H. Clarkson, for some years in the Oklahoma field for the National Fire, will be transferred to the head office in Hartford as agency superintendent. He will be succeeded as special agent in Oklahoma by Hall Warren, with headquarters in Oklahoma City. Mr. Warren has been in insurance work in the state for 12 years and is well known there.

Mr. Clarkson, in addition to other home office duties, will assist in supervising the National Fire group's business in Oklahoma, with which field he is particularly familiar. He is most loyal gander of the Oklahoma Blue Goose.

Angell Talks on War Risk

Formation and development of the American War Risk Exchange was traced by H. M. Angell, Chicago manager Appleton & Cox, before the Insurance Club of Chicago.

He compared present conditions with those which existed during the World War of 1914-18. At that time there was no American pool, underwriting was on an individual opinion basis, rates were fluctuating and inequitable, and New York, London, Toronto and Montreal controlled placing of the risks.

With the formation of the American War Risk Exchange this is changed. American companies and foreign companies with branches in the United States are not dependent upon the British pool at all, standard advisory rates are provided, and brokers and agents in other parts of the country are not required to split commissions with New York brokers as they had to do in the last war.

Expect Commission Revision

It is reported that a commission adjustment on marine war risk insurance is in the offing. The present rate of 12½ percent to general agents and 7½ percent to direct writers is said to be unsatisfactory.

Cissell Is Neb. Blue Goose "Champ"

The Nebraska Blue Goose held its annual stag golf party at the Fremont Country Club. The Fremont local agents joined to make this a gala event attended by more than 60. The pond cup was awarded to Merrill A. Cissell, Nebraska Inspection Bureau, the dub cup to E. A. Reed, St. Paul Fire & Marine.

Institute Elects Directors

New directors of the American Institute of Marine Underwriters were elected at the annual meeting. The board of 15 later will elect officers and committees. Directors elected are: Three year terms—J. T. Byrne, H. T. Chester, reelected; Harold Jackson, W. J. Roberts, reelected; and W. D. Winter, reelected. A luncheon was held with President Winter of the institute as toastmaster and Hendon Chubb as the speaker.

Gross R. Scruggs, founder of Gross R. Scruggs & Co., Dallas general agency, who retired eight years ago, died at his home where paralysis had confined him since 1931. He was born in Robertson county, Texas, in 1868, and went to Dallas with his family at the age of 9. In 1901 he founded Scruggs & Co. and also organized and headed the Great States Life and Scruggs Investment Finance Company. Since 1931 his son, Stuart B. Scruggs, has managed the agency.

The Ohio Fire Prevention Association will inspect Medina Nov. 2 and Jackson Nov. 25.

J. T. Wellford, head of the Thomas Wellford & Sons agency, Memphis, Tenn., was named foreman of the Shelby county grand jury.

The Farm Property Mutual of Des Moines has changed its name to Farm & City Mutual.

Agency Convention Activity Intense

(CONTINUED FROM PAGE 3)

were introduced, including Henry H. Putnam, director of publicity of John Hancock Mutual Life, who was the first full time secretary of the National Association of Insurance Agents, serving it for a number of years. Last week Mr. Putnam was honored at St. Louis, as having attended and reported the first meeting of the National Association of Life Underwriters 50 years ago. He also founded and was the first editor of the "American Agency Bulletin." Greetings were extended by Insurance Commissioner Harrington of Massachusetts, Mayor Tobin of Boston, President H. R. Preston, Massachusetts Association of Insurance Agents, and President R. A. Sullivan of the Boston Board. Wayne C. Meek of Seattle, member of the national executive committee, responded.

On Wednesday morning were the committee breakfast conferences with six different groups. By this time the machinery was moving with great rapidity, ready for the first convention session Wednesday morning. Rev. R. P. Barry, director of the Catholic Charitable Bureau of Boston, spoke the invocation. President W. H. Menn of Los Angeles gave the report of the administration and General Counsel W. H. Bennett gave the keynote address.

F. R. Lanagan of the Daly general agency of Denver, president American Association of Insurance General Agents, brought greetings from that body.

A new feature was introduced using as a background the popular Canada dry ginger ale radio skit "Information Please," conducted by six members of the Insurance Advertising Conference. A number of questions had been presented in an effort to stump the experts.

Directly after adjournment of the morning session was a demonstration

of fire fighting apparatus and salvage work by the Boston fire department and Boston Protective Department near the hotel.

At the beginning of the afternoon session Wednesday, C. C. Jones of R. B. Jones & Sons, Kansas City, a former president of the National association and now president National Association of Casualty & Surety Agents, brought greetings from the latter body which will hold its annual meeting at White Sulphur Springs next week.

The rest of the session was taken up with three excellent addresses dealing with insurance merchandising. Calvin F. How of Duluth spoke on accident and health insurance. A. J. Huneke of New York City, inland marine manager of the Eagle Star, took up inland marine lines. W. T. Ashby of Newark, N. J., treated non-ownership automobile liability insurance.

Thursday morning starts with three group sessions on agency management and operation, presided over by H. D. Holmes, Summit, N. J.; J. W. Carswell, Savannah, Ga., and L. C. Hilgemann of Milwaukee.

The last session of the convention will be held Thursday afternoon with three set addresses by J. W. Downs of Boston, general counsel Massachusetts Insurance Federation, W. E. Mallalieu, general manager National Board and H. P. Janisch of Boston, general manager Associated Insurance Agents & Brokers, Inc.

Seek a Uniform Act

The termination of the litigation in the federal district court of Virginia, on the constitutionality of the resident agent and counter signature law, brought back actively before the National executive committee the question of the possibility for a uniform act that could be recommended to the several states in accordance with a resolution adopted at the St. Paul convention a year ago. That resolution was that the administration of the National association study and explore the question and see if it would be possible to work out with other parties in interest a uniform law.

It was reported to the committee in Boston that a considerable amount of investigation and exploration had been done by the administration, including several conferences held with companies, general agents and brokers.

During the year the progress of the work was slowed up to some degree, awaiting a decision in the Virginia case. The executive committee having information indicating that the companies propose to appeal the decision to the U. S. Supreme Court in order to secure a final determination of the issues involved, decided that it would not be wise to develop the matter further until there is a final decree in the Supreme Court.

Lanagan Urges Consistency

For several years the American Association of Insurance General Agents has extended its friendly greetings to the National association. This year its president, Fred R. Lanagan, Denver, spoke at the opening session and urged solidarity in all phases of the insurance business for the good of everyone concerned. He maintained that the recent effort to keep the federal government out of the insurance business would have failed had not all companies, local agents and general agents joined together. As an important feature of solidarity, he maintained that the fire, casualty and inland marine departments of the different companies or company groups should maintain the same standards and follow the same practices. They are now so interrelated, he said, that they must be coordinated or the business cannot stand together.

Specifically, Mr. Lanagan referred to the fire underwriting department of a company group adhering rigidly to the

rates, commissions and forms of its governing body, but the casualty or inland marine division offering concessions to agents in consideration of a large share of fire business. This Mr. Lanagan called the "very tops in hypocrisy." "If persisted in," he continued, "it will thoroughly destroy the entire structure which organized effort has slowly built up through these many years. If this structure is pulled down, I am afraid it will fall more heavily on the agency forces."

Preston Welcomes Agents

Harvey R. Preston, Springfield, president Massachusetts association, welcoming the agents in the name of the state, gave an historical review of insurance in Boston, which he said was the cradle of the insurance business in the United States. In 1724, John Marion advertised his insurance business in the Boston Gazette and there were Boston quotations in a London paper in 1720. The first policies, as we know them, Mr. Preston said were written in this country in 1740 by Samuel Pollard. Mr. Preston claimed that Mr. Pollard was the first local agent in the country and the founder of the American agency system. He commented on other historical developments in Boston and urged the agents to visit the old landmarks during their stay.

Midyette, White Are Mentioned

Buffalo is an active contender for next year's annual meeting and Detroit is also seeking it. For the mid-year meeting, the Mississippi agents are making a bid for Biloxi, the Kansas agents for Wichita and Indiana for Indianapolis.

The two members of the executive committee most spoken of for nomination as chairman are Payne H. Midyette, Tallahassee, Fla., and C. Stanley Stults, Hightstown, N. J. A. B. White, Keene, N. H., is chairman of the nominating committee, and R. M. L. Carson, Glens Falls, N. Y., for resolutions.

All but six of the 18 living past-presidents were at the speakers table at the get-together dinner and were presented by President Menn. They are G. D. Markham, St. Louis; E. M. Allen, vice-president National Surety, former local agent Helena, Ark.; F. R. Bell, Charleston, W. Va.; C. C. Jones, Kansas City; F. L. Gardner, Poughkeepsie, N. Y.; W. E. Harrington, Atlanta; W. B. Calhoun, Milwaukee; C. L. Gandy, Birmingham; Allan I. Wolff, Chicago; E. J. Cole, Fall River, Mass.; W. O. Wilson, Richmond, Va., and C. F. Liscomb, Duluth.

McClelland Heads Paid Hands

R. Lea McClelland, manager Louisiana Insurance Society, was elected chairman of the executive secretaries and managers of state associations and local boards at the session Monday. Alfonso Johnson, manager Dallas Insurance Agents Association, was reelected secretary, and with Chairman McClelland will arrange for the program at the mid-year meeting. The Boston meeting, with nearly 100 in attendance, set a new record in number and in general interest.

Leading the discussion on building good will, Alfonso Johnson said the association manager should be actively interested in all civic affairs and should personally know the newspaper people so that when real insurance news develops, it would be properly handled. He urged the buying of newspaper space to tell the public about the standard protection of good insurance.

Discuss Educational Work

Other speakers included J. W. Rose, Buffalo; O. P. West, Richmond, Va.; F. S. Preston, Minneapolis; Mrs. Lillian Herring, Chicago; F. D. Moses, Harrisburg; A. C. Eifler, Tampa; S. G. Otstot, Raleigh; W. F. O'Brien, Passaic, N. J.; Lee H. Tucker, Boston; D. G. Foreman, Ft. Worth; F. C. Colridge, Oakland, Cal.; W. O. Hildebrand, Lansing, Mich.; J. S. Cutter, Shenandoah, Ia.; C. M. Seay, Jackson, Miss.; H. A. Brown, Columbia, S. C.; A. P. Case,

Agents Name War Risk Committee

BOSTON—Because of unusual conditions which have already or may soon arise in connection with war risk insurance for American shippers, the executive committee of the National Association of Insurance Agents has named a special committee consisting of W. O. Wilson, Richmond, Va., Eugene Battles, Los Angeles, C. F. Liscomb, Duluth.

This committee has been named to be immediately available in any emergency that may arise; for cooperation with the companies in every feasible and practical way; and to study and investigate all phases of the war-risk insurance situation, to the end that the members of the National association may be fully advised in the premises.

Leo Zech with Pearl in Chicago

Leo M. Zech has joined Pearl as special agent in the Chicago and Cook county department. For the past several years he has been with the International Harvester Company but previously he had extensive insurance experience. He was manager of the farm department of Westchester when that company's western operations were handled at Chicago, and later he served with the Chicago Board.

Radio Tour of Laboratories

A Fire Prevention Week program over WENR, Chicago, from 8:30 to 9 p. m. (CST), Oct. 9, will open observance of the week in that city. It will be a description of a tour through Underwriters Laboratories main testing station, showing how products used in the home, from the oil burned in the basement to roofing are given destructive tests to indicate the comparative or total freedom from fire hazard. Several hundred products used by home owners will be described while they are undergoing tests.

Marion, Kan.; A. B. Millard, Grand Rapids, Mich., and Irwin Wootton, Atlanta.

Considerable time was devoted to explanations of the various types of educational work being carried on in many states, varying from small informal classes to complete university courses, and it was agreed that such work was now a permanent part of many associations as it had justified itself by the improved standards of the fire and casualty business.

Assistant Secretary George W. Scott of the National association presented in detail the proposed plan of standardized roadside signs as suggested by the Illinois association at the mid-year meeting and because of the various suggestions offered and constructive criticisms made, a motion was unanimously adopted that retiring Chairman P. B. Bethel of Kentucky appoint a special committee to study the matter, confer with the executive committee of the National association and report back at the next meeting.

Tuesday noon there were 11 round-table discussion subjects participated in by members taking their luncheon around tables with a chairman being assigned to each. Sidney O. Smith, executive committee chairman, presided over a joint meeting of state officers and national councillors when C. S. Stults, Hightstown, N. J., chairman finance committee, presented its report. Then followed local board conferences.

LOCAL BOARDS

Group one of the local board conferences Tuesday afternoon had as chairman W. C. Thornton, Fond du Lac, Wis. There was a general discussion of county, regional and local boards. S. G. Otstot, executive secretary North Carolina association, stated that strong local boards mean a vital state association. In South Carolina the boards have co-extensive membership and observe the in-and-out rule. All members represent stock companies. There are no mixed offices. He said that the boards have the active cooperation of the field men.

Grover Miller, Racine, Wis., told of the work of the city board and the Racine County Board. The agents through both get well acquainted and there is more effective cooperation. There should be monthly meetings. All public business in the city and county is handled through a committee and the commission is allocated so that all members participate.

H. D. Holmes, Summit, N. J., said that his board services lines of large risks that are being lost to outsiders. He said that all worth while agents should be in the board and the standard should be raised. The New Jersey association rules allow representation of non-stock companies. Alex Case, Marion, Kan., state president, and Victor Henry, Wichita, told about the work done in their state in local board organization.

Millard Presides at Group Two

The second local board group attracted about 150 delegates and turned largely into a discussion of the improvement of the individual agent, rather than a discussion of board activities exclusively. A. B. Millard, president Grand Rapids, Mich., board, presided, and W. O. Hildebrand, Lansing, secretary Michigan association, acted as secretary. The subjects discussed were survey selling, possibilities of new premium volume from current economic trends, educational programs on the use of the insurance statement form for credit information and opportunities for local boards through the medium of trade conventions. Featured at the meeting was a display of publicity clippings and diagrams of safety projects undertaken by the Grand Rapids Board.

Oscar Beling, New York, Royal-Liverpool, suggested that agents begin by surveying their own activities and pointing out that unproductive work can often

be eliminated and that a saving of \$10 a month in overhead is the equivalent of \$1,500 in annual premiums. He said there are many good survey forms on the market and that the important point is to make use of them. E. H. Moore, Birmingham, recommended that local boards encourage the use of Business Development Office material.

T. E. Babb, Jr., Worcester, quoted economic studies as indicating that the bulk of the country's wealth is shifting from business properties to home and comfort goods. In Massachusetts alone modest non-speculative home building is at its peak and will produce about \$1,500,000 in new annual premiums. The bulk of future premium increases, he said, will come from residential and domestic property.

The history and development of the new insurance statement and fact finder for use with credit men was explained by L. E. Falls, vice-president American of Newark. He suggested that every local board devote time to meeting, analyzing the statement and teaching its members how to use it.

Improving Public Relations

Various plans for improving public relations and for cooperating with organized credit men, along with suggestions for developing interest in the work of local boards, were taken up in detail at a meeting of agents from cities of more than 250,000 population. M. W. Boedecker, Louisville, was chairman and P. B. Bethel, secretary Louisville Board, served as secretary.

W. Owen Wilson of Richmond and L. E. Falls led the discussion on opportunities now before agents as a result of the insurance fact-finder or analysis sheet that has been devised in cooperation with organized credit men. The speakers traced the growth of the movement, citing specific instances where business had been obtained by local agents as a result of using the analysis plan.

Mr. Falls urged the agents to comply with the recent request of the National Association of Credit Men for appointment by the National Association of Insurance Agents of a contact committee that would explain to the credit men how they can be assured that a credit risk is or is not adequately protected by insurance against losses that might affect the man's credit rating.

Likewise Mr. Falls pointed out that company executives had told the credit men that the American agency system is competent to handle the job of filling out the information asked for in the fact-finder about insurance coverages.

Agents contributing to the discussion included Thomas G. Redden, Greensboro, N. C., Harry Rawlinson, Newark, and Mr. Vaughan of Louisville. It was pointed out that local boards should appoint contact committees to arrange joint meetings with credit men, eventually developing the conferences into insurance clinics.

Discussion of public relations activities included a description of the year-old plan in New Orleans, as explained by Counsel Bethea of the New Orleans Exchange: A demonstration of the use of the radio, developed by Briggs Hoffman of St. Louis: The use of a continuous campaign of daily newspaper advertising, which was outlined by Secretary F. F. Ludolph of the San Antonio Exchange, and a special annual award to heroic firemen and policemen, as described by Lino L. Sertel of Miami.

A showing of hands on local board meetings showed that most of them hold sessions monthly, and that about half meet at luncheon and the other half at night, with just a few in the morning.

FBI Man to Address Pond

William Devereaux, special agent of the Federal Bureau of Investigation, will address the Illinois Blue Goose at its luncheon in Great Northern hotel, Chicago, Oct. 13, telling tales of the FBI. J. E. Guy, most loyal gander will preside.

Neslen Announces New Committee Assignments

In a communication to members of the National Association of Insurance Commissioners, C. C. Neslen of Utah, the president, states that Commissioner Harrison of Arkansas has been appointed to work out a plan under which many, if not all of the commissioners and their friends, may travel together to the mid-winter convention city, Edgewater Park, Miss. Mr. Neslen said he desires to have an arrangement so that the members can travel in a special car or special train and visit and work while en route.

Mr. Neslen asked the members to pay particular attention to the matters pertaining to the committees to which they have been assigned. He asked that any problems that they have in mind be forwarded to the proper committees, to Mr. Neslen or to Secretary Jess G. Read of Oklahoma. The new committee appointments are announced this week.

Finds Complete Harmony

Mr. Neslen states that he has been in touch personally with 28 commissioners and finds there is complete harmony in the official family.

"It is the wish of your new officers," Mr. Neslen states, "that at our winter and summer meetings, we will have earnest, constructive, harmonious committee work. We need have no concern with the entertainment features that are already being worked out by our friends in the south. An unusually attractive program is being arranged by Commissioner John Sharp Williams, III., (Mississippi, chairman executive committee). The advance program looks mighty attractive."

"Besides these entertainment features, out of justice to our constituents and our insurance associates, I feel we should give very earnest consideration to the work which we have been assigned. All chairmen have signified their desire to hold meetings and discuss subjects assigned them and to be prepared to give reports to the whole group in the general sessions of the convention."

"In the past we have had some excuse for not meeting in committees as the facilities were not always adequate and then, there has been considerable overlapping. Commissioner Williams reports that he has already arranged for ample committee rooms in which all of the committees can meet. The program committees will also arrange a schedule that will eliminate, as far as possible, overlapping."

The new committee appointments are: Accident and health—McCormack, Tennessee, chairman; Hobbs, Kansas, vice-chairman; Caminetti, California; Harrison, Georgia; Rummage, Arizona; Fischer, Iowa; Lovejoy, Maine; Smrha, Nebraska; Rouillard, New Hampshire; Justice, West Virginia; Lucas, Missouri; Swain, Delaware; Emery, Michigan.

Blanks—W. A. Robinson, Ohio, chairman; C. B. Coulbourn, Virginia, vice-chairman; R. O. Hooker, Connecticut; R. R. Haffner, Illinois; Lloyd Thomson, Indiana; Ralph F. Knudson, Iowa; H. C. Higdon, Kansas; V. D. Rooks, Kentucky; T. H. O'Connell, Massachusetts; Charles Hansen, Missouri; Alfred N. Guertin, New Jersey; J. F. Collins, New York; W. L. Woolford, Pennsylvania; Will Harris, Tennessee; George H. McAteer, Washington; George Van Fleet, Texas; C. J. McCann, Florida; Ashby Thatcher, Utah.

Examinations—Read, Oklahoma, chairman; Earle, Oregon, vice-chairman; Julian, Alabama; Pink, New York; Fischer, Iowa; Caminetti, California; Newbauer, Indiana; Palmer, Illinois; Lucas, Missouri; Erickson, North Dakota; Woodward, Texas; Gough, New Jersey; Blackall (Zone 1), Connecticut; Bowles (Zone 2), Virginia; McCormack (Zone 3), Tennessee; Yetka (Zone 4), Minnesota; Harrison (Zone 5), Arkansas; Earle (Zone 6), Oregon.

Casualty and surety—Gontrum, Maryland, chairman; Waters, Texas, vice-chairman; Walrath, Idaho; Harrison, Georgia; Goodpaster, Kentucky; Gough, New Jersey; King, South Carolina; Yetka, Minnesota; Harrison, Arkansas; Rouillard, New Hampshire; Pink, New

York; Harrington, Massachusetts; Justice, West Virginia; Smrha, Nebraska.

Fire and marine—Bowles, Virginia, chairman; Boney, North Carolina, vice-chairman; Hall, Texas; Sullivan, Washington; Harrison, Arkansas; Jordan, District of Columbia; Knott, Florida; Emery, Michigan; Kavanaugh, Colorado; Palmer, Illinois; Goodpaster, Kentucky; Erickson, North Dakota; Morin, Rhode Island; Justice, West Virginia; Lloyd, Ohio; McCormack, Tennessee; Julian, Alabama; Duel, Wisconsin; Pink, New York; Blackall, Connecticut; Lucas, Missouri.

Sub-Committee of fire and marine committee—Julian, Alabama, chairman; Hall, Texas, vice-chairman; Palmer, Illinois; Emery, Michigan; Justice, West Virginia.

Group hospitalization and medical service—Smrha, Nebraska, chairman; Harrington, Massachusetts, vice-chairman; Palmer, Illinois; Jordan, District of Columbia; Bowles, Virginia; Justice, West Virginia; Walrath, Idaho; Caminetti, California; Swain, Delaware; Goodpaster, Kentucky; Rummage, Arizona; Conway, Louisiana; Lovejoy, Maine; Lucas, Missouri; Holmes, Montana; Morin, Rhode Island; King, South Carolina; Duel, Wisconsin; Harrison, Georgia.

Laws and Legislation—Lucas, Missouri, chairman; Sullivan, Washington, vice-chairman; Palmer, Illinois; Earle, Oregon; Pink, New York; Blackall, Connecticut; Bowles, Virginia; Dunn, South Dakota; Hemenway, Vermont; Kavanaugh, Colorado; MacDonald, Wyoming; Rouillard, New Hampshire.

Social security—Swain, Delaware, chairman; Yetka, Minnesota, vice-chairman; Kavanaugh, Colorado; Knott, Florida; Hobbs, Kansas; Conway, Louisiana; Lovejoy, Maine; Rouillard, New Hampshire; Holmes, Montana; Morin, Rhode Island; King, South Carolina; Duel, Wisconsin.

Taxation—Holmes, Montana, chairman; Earle, Oregon, vice-chairman; Harrison, Arkansas; Woodward, Texas; Newbauer, Indiana; Hobbs, Kansas; Gontrum, Maryland; Yetka, Minnesota; Kavanaugh, Colorado; Morin, Rhode Island; Smrha, Nebraska; Harrington, Massachusetts; Pink, New York.

Unauthorized insurance—Hobbs, Kansas, chairman; Erickson, North Dakota, vice-chairman; Lucas, Missouri; King, South Carolina; Swain, Delaware; Jordan, District of Columbia; Knott, Florida; Conway, Louisiana; Newbauer, Indiana; Rummage, Arizona; Schmidt, Nevada; Earle, Oregon; MacDonald, Wyoming; Hemenway, Vermont; Dunn, South Dakota.

Valuation of securities other than real estate—Pink, New York, chairman; Earle, Oregon, vice-chairman; Blackall, Connecticut; Gough, New Jersey; Palmer, Illinois; Fischer, Iowa; Harrington, Massachusetts; Boney, North Carolina; Lloyd, Ohio; Taggart, Pennsylvania; Woodward, Texas; Lovejoy, Maine; MacDonald, Wyoming; Schmidt, Nevada; Caminetti, California; Sullivan, Washington; Hobbs, Kansas; McCormack, Tennessee; Hunter, Ontario.

Workmen's compensation—Waters, Texas, vice-chairman; Harrison, Georgia; Goodpaster, Kentucky; Yetka, Minnesota; Emery, Michigan; Holmes, Montana; Jordan, District of Columbia; Rummage, Arizona; Erickson, North Dakota; Taggart, Pennsylvania; Hemenway, Vermont; Lovejoy, Maine; Walrath, Idaho.

Interstate liquidation and reorganization—Newbauer, Indiana, chairman; Yetka, Minnesota, vice-chairman; Holmes, Montana; Smrha, Nebraska; Hemenway, Vermont; Apodaca, New Mexico; MacDonald, Wyoming; Caminetti, California.

Misallocated premiums—Boney, North Carolina, chairman; Walrath, Idaho, vice-chairman; Gontrum, Maryland; Smrha, Nebraska; Harrison, Georgia; Earle, Oregon; Morin, Rhode Island; Erickson, North Dakota; Sullivan, Washington; Justice, West Virginia; Duel, Wisconsin.

Standard fire insurance policy—Pink, New York, chairman; Emery, Michigan, vice-chairman; Taggart, Pennsylvania; Dunn, South Dakota; Knott, Florida; McNair, Toronto; Julian, Alabama.

Uniform code—Palmer, Illinois, chairman; Pink, New York, vice-chairman; Caminetti, California; Lucas, Missouri; Gontrum, Maryland; Emery, Michigan; Taggart, Pennsylvania; Sullivan, Washington; Duel, Wisconsin; Fischer, Iowa.

Committee to investigate uniform policy automobile finance—Blackall, Con-

(CONTINUED ON PAGE 39)

NEWS OF FIELD MEN

Ohio Underwriters, Blue Goose Meet

COLUMBUS, O.—W. B. Hammond, Fire Association, Cleveland, and C. E. Autil, America Fore farm department, Columbus, were elected members of the Ohio Fire Underwriters Association at the monthly meeting and the resignation of W. D. Williams, Jr., Fire Association, Cleveland, was accepted.

Business Development activities were summarized by D. P. Hague-Rogers, Eagle Star. The new vandalism and malicious mischief forms will be available for the next meeting, G. F. Graf, Hanover, reported.

R. T. Huggard, Great American, described the Bigelow state pension plan and proposed constitutional amendment. On motion of R. S. Tidrick, Springfield F. & M., a synopsis of the Bigelow proposals will be bulletined to members.

The Rev. James Thomas of Broadstreet Methodist Church was guest speaker, saying a reawakening of moral, spiritual and educational values was needed. He criticized the American habit of "just earning a living" as an end rather than as a means. The United States, he said, is the last experimental station for democracy, and urged the individual to help preserve American ideals and institutions.

P. F. Baughman, North America, president, presided. H. R. Underwood, Providence Washington, announced the next meeting would be held Nov. 10. J. F. Lisy, Jr., Home, said that there would be an inspection of Medina Nov. 2.

Reports on Convention Income

Reports on the Blue Goose grand nest convention at Cincinnati were features of the Ohio pond's first fall meeting. A. C. Guy, Western Adjustment, general chairman of the pond's grand nest committee, gave a report of activities going back to 1931, when it was decided to advance the candidacy of R. W. Hukill, Great American, for most loyal grand gander. Mr. Guy reported grand nest convention income at \$7,260, including a \$2,446 fund assembled for that purpose, and \$5,730 disbursements, leaving a balance of \$1,530.

The resignation of B. F. Flood, Royal-Liverpool groups, as wielder was accepted. He has served as wielder since 1925, with the exception of two years. H. F. Albershardt, Western Adjustment, succeeds Mr. Flood as wielder, his previous position of assistant wielder being abolished.

In recognition of their fine work for the pond in connection with the grand nest convention, Messrs. Guy, Flood, H. R. Underwood, Providence Washington, and H. L. Rubrecht, St. Paul F. & M., were made honorary members.

T. O. Dye, Connecticut Fire, most loyal gander and presiding officer, appointed J. F. Lisy, Home, entertainment chairman. The annual dinner dance will be held soon at the Brookside Country Club near here. R. T. Huggard, Great American, presented his report as Ohio delegate to the grand nest meeting. Wielder Albershardt reported membership was 422.

R. W. Hukill, Great American; A. C. Guy, Western Adjustment, and D. C. Morgan, State of Pennsylvania, paid tribute to Mr. Flood's devotion to Blue Goose work over the long period he served as wielder.

Oklahomans to Honor Benson

The Oklahoma Blue Goose is arranging a dinner Oct. 16 in honor of John Benson, for 23 years state agent of the New York Underwriters, who is retiring from active work. C. T. Ingalls, manager Oklahoma Inspection Bureau, is chairman of the arrangements committee.

Goodloe Retiring from Field Work

T. M. Goodloe of Columbus, state agent in Ohio for the North America companies, is being retired. He was one of the deans of the Ohio field, and has well and faithfully served the North America organization for 20 years. Prior to joining the North America organization Mr. Goodloe was in rating work in Kentucky and Indiana.

He spent several days last week visiting friends at western department headquarters, and on Thursday a luncheon was given in his honor, attended by managers and department heads.

Mr. and Mrs. Goodloe are leaving soon for Fort Lauderdale, Fla., which they may possibly make their permanent home.

Mr. Goodloe is a native Kentuckian. He started in the business when the southern department of the Queen was located at Louisville. In his day the Western Union was operated by local board commissions, there being four. Local board commission No. 1 had charge of Kentucky, Tennessee, Ohio, Indiana and Michigan. It was in charge of a committee. Mr. Goodloe was recommended to it as a rater. However, at that time he did not know a rate from a rebate or a coinsurance clause but he assumed the position and absorbed information enough to carry him along. Later he was made manager of the Indianapolis Inspection Bureau. By that time he had become an expert rater. Later on he was connected with the Kentucky insurance department installing its system of supervising rates. Twenty years ago he went with the North America and became one of the old stagers in the Ohio field.

Pickens to Phoenix Head Office

G. L. Pickens, former Wisconsin state agent of Phoenix of Hartford and Equitable F. & M., has been appointed general agent of the western department with headquarters at the head office. He was first employed by Phoenix as special agent in 1935, serving in Iowa. He was transferred to Wisconsin in 1937. H. S. Anderson succeeds Mr. Pickens. He has been with Phoenix for some years, serving as examiner in the Chicago office, later as special agent in Illinois and for the last two years has been operating through the inland marine zone office in Chicago. He will make his office at 225 East Michigan street, Milwaukee.

National Fire Adds to Field Force in the West

Several field appointments have been announced by Manager George H. Bell of the western department of National Fire.

Fred W. Kern has been appointed special agent in Cook County, Ill., with headquarters at the western department office, assisting Special Agent J. G. Segerdahl. Mr. Kern has been connected with the western department since 1923 in various capacities in the office and has had thorough training in automobile and inland marine as well as fire.

Carl G. Schaefer has been appointed special agent in Wisconsin, under the supervision of State Agent L. L. Neuberger, with headquarters at Milwaukee. Mr. Schaefer is another product of the western department, having been employed in that office since 1925 and with a well rounded experience in the general fire underwriting, improved risk, brokerage, automobile and inland marine departments.

Special Agent Webb C. Helwig, who

has traveled northeastern Kansas since 1931, has been appointed superintendent of the Kansas service office under the general direction of State Agent W. L. Gardner. Prior to his appointment as special agent, Mr. Helwig was examiner in the service office at Topeka and has had a thorough training in all branches.

Student Speakers in Oklahoma

Will S. Eberle, secretary of the Oklahoma Fire Prevention Association, has secured the assistance of outstanding students in oratory from schools in various parts of the state in carrying the Fire Prevention Week message to the various communities. Requests for speakers were in excess of the men available to answer the call, so this plan was devised. Members of the association not only furnish material for their talks but urge them to check up and obtain reports from their local fire departments as to the special hazards and experience in their own communities.

Stevens to National Security

Doug Stevens has been appointed special agent of the Security National Fire, with headquarters at Houston, Tex. He succeeds Ben C. Doherty, who has joined the Commercial Union group.

Mr. Stevens has had many years of experience in local agency and field work. For a number of years he was associated with his brother in a local agency at Texarkana. For the last three years he has been special agent for Floyd West & Co., Dallas general agency, at Corpus Christi.

That agency has transferred Elmer Faught, special agent at Tyler, to Corpus Christi to succeed Mr. Stevens.

Bay State Club Opens Season

BOSTON — The Bay State Club at its first fall dinner meeting, in charge of Carleton D. Smith, discussed a program of activities for the winter and plans for cooperation in the observance of Fire Prevention Week. C. A. P. Johnson, Travelers Fire, was nominated for the executive committee of the New England Insurance Exchange. The club staged a breakfast for company officials Wednesday morning during the National Association of Insurance Agents convention.

R. S. Monk With Hanover

Robert S. Monk has joined Hanover and Fulton Fire as special agent for Philadelphia, Philadelphia suburban and part of New Jersey. His headquarters will be at 206 South 4th street, Philadelphia.

Mr. Monk is the son of C. T. Monk, prominent Philadelphia agent. The elder Mr. Monk traveled in the Philadelphia territory about 40 years ago for Hanover.

Powrie to Speak Oct 24

A. F. Powrie, manager Fire Association, Chicago, will address the Illinois Fire Underwriters Association, at its quarterly meeting Oct. 24 on "Activities of Public Relations Committee of Western Underwriters Association."

Wallace Rodgers, assistant manager Western Underwriters, will discuss the Business Development program. Henry O'Loughlin, Phoenix of Hartford, president, will preside.

B. L. Linkfield Retires

B. L. Linkfield has retired as special agent of Mercantile in the New York suburban territory. He has been with that company 41 years, 32 of which have been spent in the New York suburban territory. Special Agent John J. Casey, who has traveled the same territory as Mr. Linkfield for a number of years, is now special agent in charge.

Wisconsin F. U. A. Meets

The Wisconsin Fire Underwriters Association held its quarterly meeting in Milwaukee. Reports were made by George Peacock, Agricultural, chairman public relations committee, on the Business Development program for Wisconsin.

sin; Harvey Girard, Providence Washington, chairman contact committee, and C. H. Dachenbach, U. S. Fire, chairman legislative committee.

Guest speakers included D. O. Stine, Reedsburg, Wis., retired state agent St. Paul Fire & Marine, and S. J. MacMinn, assistant secretary of that company. Both also attended the past presidents' dinner in the evening, at which Mr. Stine presented a service emblem to D. W. Swanson, St. Paul, immediate past president.

New Carolinas Arrangement

Control of the Carolinas for the Norwich Union Fire, heretofore supervised by field men reporting to headquarters in New York, has been transferred to the general agency of H. F. Dick, with offices in the Commercial National Bank building, Charlotte, N. C. G. B. Townsend, previously special agent in North Carolina, has been transferred to the Virginia territory, while State Agent W. H. Lemmond, Jr., formerly in charge of South Carolina, will henceforward center his activities on the Georgia and Alabama fields. Mr. Dick is a native of South Carolina and experienced in special and general agency work.

Denver Club Resumes Sessions

DENVER—The monthly meetings of the Mountain States Underwriters Club were resumed at luncheon Monday at the Denver Athletic Club. Commissioner Kavanaugh was the guest of the club, and the meeting was in charge of President W. E. McCullough.

Anthracite Club to Hear Editor

Col. E. G. Smith, editor and publisher of the "Times-Leader-Evening News," will address the fall meeting of the Anthracite Field Club at Wilkes-Barre, Pa., the evening of Oct. 17. The meeting is under the direction of H. W. Peterson, president. E. J. Eggert, associate state agent of Home, is chairman of the entertainment committee.

Centro Oregon State Agent

L. R. Centro, special agent at Portland, Ore., for St. Paul Fire & Marine, has been appointed Oregon state agent.

America Fore Southwest Shifts

C. W. Smith has been transferred by the America Fore from Shreveport, La., to New Orleans, succeeding H. G. Reinhardt, transferred to San Antonio. E. C. Davis is transferred to Shreveport from the Dallas office.

NEWS BRIEFS

The mid-year meeting of the Oklahoma Fire Underwriters Association is scheduled for Oct. 26-27 at the Oklahoma City Golf & Country Club.

Members of the California Blue Goose were hosts to their wives at the annual picnic of the pond, with more than 90 in attendance. The meeting Nov. 3 will be a "father and son" night.

The Topeka Blue Goose bowling league will play its first games of the season Oct. 7.

The Wisconsin Women of the Blue Goose held their first fall bridge and luncheon meeting at Ozaukee Country Club near Milwaukee. Mmes. C. W. Martin and W. W. Ferguson were hostesses. New officers are Mrs. J. E. Snyder, president; Mrs. J. A. Flecken-

Thanksgiving Mixup a Problem

President Roosevelt's announcement that he would proclaim Thanksgiving Day, Nov. 23, has confused President A. R. Small of the Underwriters Laboratories, who is chairman of the electrical committee of the National Fire Protection Association. If Nov. 23 is officially announced it will interfere with the meeting called for Nov. 20. The meeting will be held at Atlantic City probably on Dec. 4.

stine, vice-president; Mrs. Nelson Lane, secretary, and Mrs. Henry Busack, treasurer.

The annual stag outing of the **Sunflower (Wichita) Blue Goose** puddle has been set for Oct. 14 at the Wichita Gun Club. G. M. Montgomery, Western Adjustment, is in charge.

The **Indiana Blue Goose** will sponsor a goodfellowship dinner and smoker at the Coquillard Country Club, near South Bend, Ind., Oct. 19. L. R. Swanson, Liverpool & London & Globe, South Bend, will be in charge.

The **Iowa Blue Goose** will hold a series of parties this fall with dinner, dancing and bridge party to be held Nov. 18.

Commissioner Fischer of Iowa spoke to the **Iowa Blue Goose** luncheon in Des Moines.

An inspection was conducted at Detroit Lakes, Minn., by the **Minnesota Fire Prevention Association**.

COMPANIES

Increase Surplus of Eureka-Security

Pearl Assurance is increasing its investment in the affiliated Eureka-Security F. & M. by \$2,000,000 as of Sept. 30. All of the shares of Eureka-Security, except directors' qualifying shares, are owned by Pearl. The increase is to be accomplished by reducing the par value of Eureka-Security shares from \$5 to \$2.50 and issuing 200,000 shares of Eureka-Security, which Pearl will buy with its American funds at \$10 per share, of which \$2.50 will go to capital account and \$7.50 to surplus. Thus the capital of Eureka-Security will remain at \$1,000,000 and the surplus will be increased by \$2,000,000. Thereafter Eureka-Security will assume a larger share of the writings of the group which includes Monarch Fire as well as Pearl and Eureka-Security.

The resources of the U. S. branch of Pearl have increased substantially and as of June 30, the total assets of the branch were \$19,955,610 of which \$7,017,296 was net surplus.

National Security to Move

OMAHA—The National Security of Omaha has sold its home office building and is moving to new quarters in the Omaha National Bank Building. Other North America group companies will move into the new quarters.

New Hampshire Correction

In the fire companies statements for the first six months as filed with the Georgia department and recently published in THE NATIONAL UNDERWRITER, the surplus of the New Hampshire Fire was incorrectly shown as \$3,013,324. The correct figure is \$8,322,928.

AS SEEN FROM CHICAGO

BROKERS TO ELECT OCT. 19

The Insurance Brokers Association of Illinois will hold its annual meeting Oct. 19 in the Chicago Board Auditorium.

President C. A. Berger has appointed J. H. Schlagle as chairman of the nominating committee. Other members are J. H. Moore, Moore, Case, Lyman & Hubbard; A. W. Ormiston, Travelers; G. H. Anderson, Hartford Fire, and M. A. Myers, Critchell, Miller, Whitney & Barbour.

Five directors will be nominated. The directors elect officers.

Reports of various committees will be heard. Members are looking forward with a great deal of interest to those dealing with acquisition cost, especially in view of the new casualty and surety cost setups for Chicago and attention which Director Palmer is giving to fire acquisition cost.

FIRE PREVENTION SCHEDULES

Representatives of the fire prevention department of the Western Actuarial Bureau are scheduled for talks as follows:

R. E. Verner, Oct. 6, Chamber of Commerce, Oklahoma City; Oct. 9, Rotary Club, Chillicothe, O.; Oct. 10, Buckeye Club, Cincinnati; Oct. 11, town inspection, Ann Arbor, Mich.; Oct. 12, Elks Club, Traverse City, Mich.

J. Burr Taylor, Oct. 9, Chamber of Commerce, Evanston, Ill.; Oct. 10, Kiwanis Club, Joplin, Mo.; Oct. 11, joint meeting Rotary Club and Chamber of Commerce, East St. Louis; Oct. 12, schools, Aurora, Ill.

H. K. Rogers, Oct. 9, Civic Club, Batavia, Ill.; Oct. 10, Board of Fire Underwriters, Alton, Ill.; Oct. 11, Kiwanis Club, Park Ridge, Ill.; Oct. 12, Industrial Safety Council, Kenosha, Wis.; Oct. 13, fire department and American Legion, Harvey, Ill.

BROWNLOW TO ADDRESS FIELD

The first fall meeting of the Cook County Field Club to be held Oct. 9 at a luncheon in the Great Northern Hotel, Chicago, will be addressed by M. L. Brownlow, manager Underwriters Salvage, who will tell the story of the organization and conduct a question and answer forum. Ralph Black, president, will preside.

MRS. DALMAR'S SON WINS HONORS

Hugo Dalmar, Jr., 12-year-old son of Mrs. Hugo Dalmar, president of H. Dalmar & Co., Chicago agency, won three ribbons and a medal at the horse show held by the Town & Equestrienne Club for the benefit of the Sunbeam League at Morton Grove, Ill. The lad won ribbons in the hiring, pair and junior horsemanship classes and in the latter also won a medal which entitled him to ride in the International Horse Show to be held in Chicago this winter. He competed against riders considerably older than himself. Hugo has been riding only about two years, but he gained much experience last winter riding at the Arizona Biltmore hotel near Phoenix, and again this summer on the ranch of Doctor Pardee near Prescott. The youth also is adept with a lariat.

The Western Underwriters Association has put out in pamphlet form the address of Dr. F. G. Dickinson, associate economics professor University of Illinois, that he gave at the 60th anniversary jubilee banquet at White Sulphur Springs, his topic being "Insurance Looks at the 1940's."

PUBLISH DICKINSON'S ADDRESS

The Chicago law firm of Ekern & Meyers is giving a cocktail party Friday evening of this week in honor of Jess G. Read, insurance commissioner of Oklahoma. Mr. Read was in Chicago this week for the meeting of the commissioners on the life insurance war risk exclusion situation and he is remaining over to attend the Northwestern University Oklahoma University football game in Evanston, Ill. Saturday.

CHICAGO PARTY FOR JESS READ

The Alpha Chi Epsilon professional fire insurance fraternity is holding its biennial reunion in Chicago Nov. 11. The group intends to attend the football game of Northwestern University in the afternoon and then to have a dinner meeting at the La Salle Hotel in Chicago. It was 15 years ago that the insurance course was started at Northwestern University, from which Alpha Chi Epsilon obtained its start. Guy M. Nearing of Bowling Green, O., is president and Robert O. Young of Omaha is secretary.

ALPHA CHI EPSILON REUNION

James L. Kanaley & Co. of Chicago has moved to new larger offices in A-1014 Insurance Exchange. The office was established in 1936, Mr. Kanaley formerly having been a partner in the Kanaley, Buddeke & Co. class one agency. Emmet Grannan is junior member in Kanaley & Co.

KANALEY & CO IN NEW OFFICE

EXAMINERS MEET OCT. 19

The Fire Examiners Association of Chicago will meet on Oct. 19 at 6 p. m. in De Met's Board of Trade Grill. President A. E. Svec, Pacific National Fire, announced that the organization has launched a membership campaign with "Every Member Get a Member" as the slogan. Appointment of a membership committee will be made at the meeting.

YORKSHIRE OFFICE'S 10TH YEAR

S. W. Skiple, Cook county, Ill., manager of the Yorkshire group, held open house celebrating the 10th anniversary of the office under his direction. In the period the business production has more

than doubled. Mr. Skiple has had 25 years' experience in the business, all at Chicago. He started with L. E. Yager & Co. there. After world war service he returned, going with Fred J. Sauter of Aetna Fire, and resigned 10 years ago to open the Yorkshire's office. At one time he also was connected with R. A. Napier & Co. and Eliel & Loeb at Chicago.

Hogan of Iowa to California

DES MOINES, IA.—Frank Hogan, an examiner and actuary in the Iowa insurance department for 16 years, has accepted a position with the California insurance department.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business, Oct. 2, 1939.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	103	107
Aetna Fire	10	1.60	43	45
Aetna Life	10	1.35*	28	29 1/2
Agricultural	25	3.25*	72	74
Amer. Alliance ..	10	1.20*	22	23 1/4
Amer. Equitable ..	5	1.20	22	23 1/2
Amer. Home	10	...	7	9
Amer. (N. J.) ..	5	3.50	13	14
Amer. Surety	25	2.50	46	48
Automobile	10	1.30*	31	33
Balt. Amer.	2.50	.30*	6 1/2	7 1/2
Bankers & Ship ..	25	5.00	97	100
Boston	100	21.00	600	615
Camden Fire	5	1.00	19 1/2	21
Carolina	10	1.30	26	28
Contl. Cas.	5	1.20	30	32
Contl. N. Y.	2.50	1.80*	36	38
Crum & Forster ..	10	1.00	27	30
Employers Reins. ..	10	1.60	45	47
Fidelity-Phen. ...	2.50	1.80*	36	38
Fire Assn.	10	2.50	62	64
Firemen's (N. J.) ..	5	.40	9	10
Franklin	5	1.40*	31 1/4	33
Gen. Reinsur.	5	2.00	42	44
Georgia Home	10	1.20*	22	24
Glens Falls	5	1.60	39	41
Globe & Repub. ...	5	.50	12 1/2	13 1/2
Gt. Amer. Fire ...	5	1.20*	27	29
Gt. Amer. Ind.	1	.20	10	11
Halifax Ins.	10	1.00*	15	17 1/2
Hanover Fire	10	1.20	28	29
Hartford Fire	10	2.00	75	77
Hartford St. Boil. ..	10	1.60	54	57
Home Fire Sec.	10	...	2 1/2	3 1/4
Home Ins. (N.Y.) ..	5	1.60*	34	35
Home Indem.	3	...	11	13
Ins. Co. of N. A. ...	10	2.50*	66	68
Lincoln Fire	5	...	2 1/4	2 3/4
Maryland Cas.	1	...	2 1/2	3 1/4
Mass. Bonding. ...	12.50	3.50	57	59 1/2
Merch. Com. (N.Y.) ..	5	1.70*	46	48 1/2
Natl. Cas.	10	1.20*	23 1/2	25
Natl. Fire	10	2.00	58	60
Natl. Liberty	2	.40*	8	9
New Am. Cas.	2	.65	12 1/4	13 1/4
New Hampshire. ...	10	1.80	43	45
Northern (N. Y.) ..	12.50	5.00*	101	105
North River	2.50	1.20*	26	27 1/2
N. W. Natl.	25	5.75*	118	123
Phoenix, Conn.	10	2.50*	75	77
Preferred Accel. ...	5	1.00*	15	16
Prov. Wash.	10	1.40*	31 1/2	33
St. Paul F. & M. ...	62.50	8.00	218	225
Security, Conn.	10	1.40	30	32
Sprgld. F. & M. ...	25	4.75*	112	115
Travelers	100	16.00	408	416
U. S. Fire	4	2.00	52	54
U. S. F. & G.	2	1.00	19	21
Westchester Fire ..	2.50	1.60*	34	36

*Includes extra. **Canadian funds.

Football was the topic at the October luncheon of the **Twin City Mutual Insurance Club** in Minneapolis. Dallas Ward, freshman coach University of Minnesota, spoke.

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EDITORIAL COMMENT

Conventions of 1916 and 1939

THE NATIONAL ASSOCIATION OF INSURANCE AGENTS held its last annual convention in Boston in 1916. E. C. ROTH of Buffalo, still living and active, was president. HENRY H. PUTNAM was secretary. Prior to giving his full time to the organization as secretary and manager, he had established the "American Agency Bulletin." Many of the subjects discussed at that time are still with us. The impressive feature, however, between Boston in 1916 and 1939 is the great development in scope and membership of this body of agents. Today the organization would hardly be recognized in its mechanics, traced back to Boston in 1916. During the last few years under very potent, progressive and forceful leadership the association has made itself felt in all directions. It has become a tower of strength in the business, not only for its own members but for insurance as a whole.

New England has always been one of the strongholds of the NATIONAL ASSOCIATION OF INSURANCE AGENTS. Many men in the past have been regarded as pillars of the organization. JOHN C. NORTH of New Haven, Conn., head of NORTH'S INSURANCE AGENCY, was the president in 1904 when the convention was held at St. Louis. E. W. BEARDSLEY of Hartford was president in 1909 when the convention was at St. Paul. JAMES L. CASE of Norwich, Conn., of revered memory, served two terms as president, presiding at Hot Springs, Ark., 1922, and in 1923 at Buffalo. There was an interim of a number

of years before another New Englander occupied the presidential office but along came E. J. COLE of Fall River, Mass., who served at the 1934 convention at Rochester, N. Y. He is the only New England president that is living. He is on the advisory committee of the general convention for this year's Boston gathering. He is chairman of the reception committee for the convention in Boston this year.

One of the marked changes in National association history has been the spirit of cooperation that has developed between agents and companies. There is a far more friendly and sympathetic interest taken in the agency organization now than there was in 1916. Then companies were more or less suspicious and while on the surface they held out the cordial hand, yet in reserve they speculated as to what the association intended to do.

Fortunately for this organization, as guiding hands it has had men of vision, those who desired to be helpful, who were courageous, who stood for the rights of agents and recognized as worth while that JAMES L. CASE slogan he so often sounded "Cooperation, conciliation and compromise."

At the wonderful convention in Boston this week, with hundreds in attendance and the most informative and thought provoking program yet produced, it is very appropriate that all hands extend congratulations and give this organization a hearty expression of good will.

Valuable Educational Move

THE announcement made this week by Secretary W. H. BENNETT of the NATIONAL ASSOCIATION OF INSURANCE AGENTS at its annual meeting in Boston that the organization will sponsor an educational institute, patterned very much after the plan that has been in effect for the life people under the auspices of the NATIONAL LIFE UNDERWRITERS ASSOCIATION for some time will be received with great satisfaction. The NATIONAL LIFE UNDERWRITERS ASSOCIATION promoted the AMERICAN COLLEGE OF LIFE UNDERWRITERS, with Dr. S. S. HUEBNER of the WHARTON SCHOOL OF COMMERCE & FINANCE, UNIVERSITY OF PENNSYLVANIA, first as dean and then as president. While there is no physical plant of the AMERICAN COLLEGE OF LIFE UNDERWRITERS except the offices of Dr. HUEBNER and Dean DAVID McCANAHAN, yet it functions very successfully in providing well regulated and laid out courses of study, with examinations in June

of each year. If the student reaches the passing mark he gets the "Chartered Life Underwriter" degree, a diploma signifying that he has taken the course and passed satisfactorily. Before a man can take the course he must have been in the business a stipulated time. The AMERICAN COLLEGE has been very successful in attracting a large number of life insurance students.

Fire and casualty insurance has been rather backward in its educational processes but there has been a remarkable upsurge during the last few years. Some of the companies have been conducting home office schools. They have seen the necessity of training men and getting them better prepared to serve their clients. A number of the state associations of insurance agents have established short courses under the auspices of state or other universities. Some of the state bodies have converted their annual meetings into educational institutes. The programs for the

NATIONAL ASSOCIATION OF INSURANCE AGENTS meetings and the state gatherings have taken on during the last three years a large educational aspect. In fact, the old custom of loading a program down with set talks has been abandoned.

It has been acknowledged that local agents must be prepared and justify their existence. In order to combat federal

entry into the insurance business it is recognized that those in it must serve the public efficiently and satisfactorily. The day has come when it is time to weed out the incompetent, ignorant and unprepared.

We believe that the NATIONAL ASSOCIATION OF INSURANCE AGENTS project will meet with immediate and favorable response.

Springfield F. & M.'s Recent Move

THE announcement that the important SPRINGFIELD FIRE & MARINE organization is to form a casualty company means undoubtedly a recrudescence of sentiment on part of fire organizations to have casualty running mates. In days gone by it seemed desirable in some respects to be fortified by a company writing casualty and perhaps surety bonds. Then came the tremendous deluge that almost overwhelmed some of the companies and those that did not have casualty running mates were congratulated.

Now the tide has turned. Local agents are giving more and more attention to the casualty and surety field. Fire companies

have long discovered that it is quite essential to have in automobile insurance a combination policy that will give full coverage. The SPRINGFIELD FIRE & MARINE people are not fantastic, impulsive or visionary. The fact that a stable organization like this now enters the casualty field will undoubtedly have an effect in other directions. We must all recognize the tremendous growth of the casualty and surety business. It has had a phenomenal development. Local agents finding their fire premiums have decreased have sought other avenues and have discovered them in the so-called collateral lines of fire insurance and casualty and surety.

PERSONAL SIDE OF THE BUSINESS

For Commissioner Earle of Oregon, opening of the hunting season this fall meant his longest vacation in his five years as commissioner and his 21st successful deer hunt in as many years. He was away from his office seven days, frequenting his favorite hunting grounds in the remote Steen Mountain district in southern Oregon.

W. E. Harrington, Atlanta, past president National Association of Insurance Agents, has been made chairman of the Citizens One-Government League, which is sponsoring a five-year plan for the consolidation of the governments of Atlanta and Fulton county.

The father of J. M. Regan, resident vice-president of Marsh & McLennan at Minneapolis, died. He was for many years prominently identified with the bakery business in Minneapolis.

W. F. Boylan, New York manager St. Paul Fire & Marine, and D. W. Swanson, Milwaukee manager, were visitors at the home office conferring with officials.

R. Bryson Jones of the R. B. Jones & Sons agency, Kansas City, will present a series of three lectures this winter under the sponsorship of the Kansas City Art Institute. He will talk on "Fiji," "Morocco," and "Down Under," the story of a trip to Australia. A wide traveler and an expert cameraman, travel has been Mr. Jones' hobby for years.

G. H. Cornell, 72, surviving partner of the Hinckley & Cornell agency, Kalamazoo, Mich., has just celebrated his 39th year in the insurance business. After working as a bookkeeper for C. B. Hays, local agent, he formed a partnership with the late E. H. Hinckley in 1900, taking over a business established in 1870. One of his cherished mementoes is a policy written by the agency

in 1884 in long-hand. Many testimonial plaques attesting to long service with several companies decorate his office walls. Mr. Cornell has no intention of retiring. His son, J. B., is state agent of the Automobile of Hartford in Kalamazoo.

Minneapolis insurance men were active in the centenary celebration there this week. O. J. Arnold, president Northwestern National Life, is president of the civic council which sponsored the event. A. R. Husted of the White & Odell agency was chairman of the visitors' committee, and women from several insurance offices were hostesses. The Northwestern National Life and Minnesota Hardware Mutual had floats in the centenary parade.

Richard S. Busbee, president of Atlantic Fire, is convalescing at his home in Raleigh following a serious illness which necessitated two operations.

O. L. Hanson, special agent Rain & Hail Bureau, Nora Springs, Ia., returned from a visit to the Mayo Clinic at Rochester, Minn., where he underwent an examination following a recent illness. Physicians reported Mr. Hanson physically fit and he is now active in the field again.

Peoria newspapers report that Col. J. Edward Martin of Callender & Co., now has in his possession what is reported to be a valuable Indian tomahawk dating back many centuries. It is said to be a rare specimen, of which there are few in existence. Colonel Martin found it while on a fishing trip in Wisconsin recently. The discovery has created much interest in Peoria, and it is understood local authorities have been very much impressed by the find.

Colonel Martin, who is a retired U. S. army officer, is reputed to be an authority on Indian lore. A former vice-presi-



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dent of the Insurance Federation of Illinois, he is well-known for his ability as an orator. He was toastmaster at the recent federation convention banquet in Rockford. He is a former mayor of Peoria.

R. C. Bodenhamer, head of the Bodenhamer agency at Eldorado, Ark., and Mrs. W. M. Slater have been married.

Miss Nanette Mahon of Lynchburg, Va., and **Gordon Casper**, son of Harry G. Casper, United States manager of Eagle Star, were married at the latter's home at Chappaqua, N. Y. Mr. Casper is with Fester, Fothergill & Hartung, the reinsurance office.

DEATHS

W. J. Paul, 69, local agent in Dorchester, Mass., for many years, was backing his motor car from his garage when the car caught fire. Mr. Paul was unable to extricate himself before he was overcome and burned to death.

Kingston Pickford, one of the oldest employees of the Texas fire insurance department until he resigned a few years ago to become a special agent, was killed accidentally while hunting near Sabinal. For a number of years he was chief field inspector for the Texas department and later was advanced to chief rater and actuary. Many field men and others connected with the business received their early training under his guidance.

Sol E. Dryfus, 69, Nashville, Tenn., local agent, died there. He had been in failing health for some time.

W. A. Sloan, 54, Detroit local agent, died at University Hospital in Ann Arbor.

J. H. Johnson, Jr., oldest son of J. H. Johnson of Clarksdale, Miss., former Mississippi commissioner, died from pneumonia. He had been connected with his father's agency for a number of years.

F. J. Barclay, 70, well known insurance man in Boston for 40 years, the past 25 as an underwriter in the Kaler, Carney, Liffler & Co. agency, died at his home there. He was at one time special agent of the People's Fire of New Hampshire and later in the offices of D. W. Bennett and George Damon.

A. G. Guilloz, partner in the Graham-Guilloz fire agency, Birmingham, Mich., died. The agency was established in 1925.

C. F. Codere, president, and **J. C. McKown**, secretary, St. Paul Fire & Marine, attended the funeral at Winnipeg of **W. P. Harris** of the Winnipeg office. He was 54 years old and had been with the company since 1933.

H. E. Bunderthal, 73, president of the Heller-Bunderthal Company agency in Dayton, O., died there.

Charles L. Bliss, who had been in the insurance business in Chicago since 1884, and for the past 35 years has operated as a broker in the office of Critchell, Miller, Whitney & Barbour, died in the Henrotin Hospital, Chicago, at the age of 86. Mr. Bliss had functioned actively in the business until about 10 days previous to his death. Prior to his connection with Critchell, Miller, he had been a partner in several agency firms including Lyman, Bliss & Co., Ramsey, Bliss & Co., Charles L. Bliss & Co., and Bliss, Waller & Co. He had been a resident of Oak Park, Ill., since 1880. He maintained a summer home at Lake Geneva, Wis. He was active in yachting affairs in Chicago several years ago. A son, Philip P. Bliss, is a broker in the office of Home of New York in Chicago.

C. D. Wadsworth, who retired some time ago as Iowa state agent for Springfield Fire & Marine, died in Cleveland at the age of 77. He was a veteran in the business, having started at the age of 21 with the old Burlington Fire as bookkeeper and examiner. He was with the Burlington from 1883 to 1895, and then served as chief clerk and inspector

of the Iowa Inspection Bureau from 1895 until 1909. He was with Springfield Fire & Marine in Iowa from that date until his retirement. He had served as president of the Iowa Fire Prevention Bureau and of the Iowa Field Club.

Mr. Wadsworth was in Cleveland, visiting Mrs. Wadsworth's relatives. He had intended to pass the winter there. Frank P. Carr, who succeeded Mr. Wadsworth as Iowa state agent, attended the funeral. Mr. Wadsworth was a member of the Life Members Society of the Fire Underwriters Association of the Northwest.

Frank Lippincott, 60, Toledo, O., agent, died from injuries received in a fall.

L. H. Linsmeyer, 51, local agent at Elwood, Ind., was killed by a train.

B. R. Koch, 63, Niles, O., local agent, died after a long illness.

H. B. Thielemann, 68, who operated an agency at Minster, O., for 25 years, and served as a deputy state fire marshal for four years, is dead.

H. W. Klages Is Stricken

NEW YORK—**H. W. Klages**, head of Chubb & Sons' office at Chicago, was stricken here last week with a heart attack, and is in the Polyclinic hospital. He was at the New York fair and went up in the Parachute Tower. He evidently suffered ill effects from the descent.

According to

PHIL

By Phil Braniff
Insurers Indemnity &
Insurance Co., Tulsa



GENTLEMEN:

Do you ever feel low? I mean way down — — — way! Tonight I felt like an anemic termite nibbling on a small, unimproved equity in nothin'. I felt like about a third mortgage back of an HOLC foreclosure. I felt like I was back of the guy who's backin' the guy who's back o' the eight-ball. Brother, I felt low!

I came home figuring on settling down in a big armchair and indulging in some first-class self-pity, but I didn't get to first base. Just about the time I got my slippers on — — — plunk! — — — I've got a kid in my lap who wants me to help her get some fourth-grade problems — — — long division — — — just like what I've been doing all day — — — trying to figure out how much is practically nothing divided by 163,600 other fellows who were after the same thing, which doesn't include me on account of I didn't get any of it. Then I listen to her worries — — — a skinned knee and

bruised shin — — — fell down — — — absolutely the other kid's fault — — — other kid pushed her — — — well, it was that way with me, too — — — everything that happened all day, I blamed on someone else. So I get some of the details and explain to her that it was about three-fourths her fault and she's so convinced and sorry that I get talked into driving her over to the other kid's house so they can make up and I get rooked into buying two dishes of ice cream and it doesn't look like they were very sore at each other and maybe I was framed. So we come home and have dinner and then settle down to a few odd jobs like fixing a puncture in a bicycle tire and putting an arm back on a doll and then we have a talk about what I've been doing all day, which, for some strange reason, doesn't seem very important any more. The vital importance of her tragedies completely overshadow anything that happened to me. So I turn in, feeling sorry for bachelors who come home in the evening knowing they'll have time to feel sorry for themselves. PHIL.

L. F. Hawley, vice-president of Newhouse & Sayre, Chicago, will discuss marine insurance at the Oct. 10 dinner meeting of the St. Paul Association of Insurance Women.

"\$Selling Tip\$" FOR THE INSURANCE AGENT and BROKER"

is the title of a book which has helped many of our Agents to increase their business.

If you want more sales, and are willing to do something about it, write for a copy.

THE American Insurance Group

Newark



New Jersey

THE AMERICAN INSURANCE COMPANY

THE COLUMBIA FIRE INSURANCE COMPANY

BANKERS INDEMNITY INSURANCE COMPANY

THE JERSEY FIRE UNDERWRITERS

DIXIE FIRE INSURANCE COMPANY



"Why don't retailers sell at *Wholesale Prices?*"



CALLING a price a *wholesale* price doesn't make it a bargain. The experienced hardware merchant knows that if he sold to retail trade at wholesale prices he would worry his bank, confuse his good customers, and have his clerks and family suggest he take a good long rest.

He justifies his slight profit in the retail field by carrying hundreds—perhaps thousands—of assorted items; through careful buying, which is the consumer's major safeguard, and through his technical knowledge of the many uses to which his stock will be put.

Fortunately most of his customers know this too, and whether they buy a complete set of builders' hardware for a new house or a twenty cent screw driver, recognize that his service may be as important as the price.

When the local hardware dealer buys insurance from the experienced agent or broker of a stock insurance company, he does not say, "\$50 worth of insurance, please." He asks for and gets the advice and full service of an expert purchasing agent in the complex insurance field, like himself an expert middleman. No worries about uncovered risks that might wreck a business.

Because we believe so thoroughly in the services of an expert middleman whether hardware dealer, insurance agent or broker, we refuse to accept business direct because it is not in the interest of the Company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and a supporter of the American Business System.

● This is a reprint of an advertisement of National Surety Corporation which appeared in **HARDWARE RETAILER**, a leading publication in the hardware field. It was directed to the independent business men in the hardware business in your city.

This advertisement has also appeared in a long list of banking and financial publications. It is an effective sales help to our agents and another proof of our belief in and support of the American Agency System as a part of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

The NATIONAL UNDERWRITER

October 5, 1939

CASUALTY AND SURETY SECTION

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REA Producing Big Surety Business, Stewart Reports

Surety Chairman Tells of Housing Situation, Threat of State Funds

BOSTON, MASS. — The report of W. Herbert Stewart, Chicago, chairman surety committee of the National Association of Insurance Agents, always covers a number of interesting topics and this year, although there were no outstanding issues before the committee, it was no exception. Mr. Stewart received the Woodworth memorial award in 1937 for his work in connection with commissions on large contract bonds. The subjects covered this year were bonds of the Rural Electrification Administration, both fidelity and contract, those of the United States Housing Administration, the threat of federal and state indemnity funds as a substitute for fidelity bonds, commissions on blanket bonds, the large contract bond situation and qualifying bonds for non-stock insurance carriers. In every case, Mr. Stewart was able to report progress.

Work of Washington Office

The Washington office of the National association is continuing to advise state associations and territorial and state rural agents chairmen of all REA projects, beginning with the steps before an allotment is made and continuing through approval, bid invitations and award. Its bulletins tell the amount of allotment, borrowing corporation, engineer and closing date for bids. Mr. Stewart emphasized that the success of agents in getting this business depends entirely upon the promptness with which the state association relays the information to local boards and members and upon the agent's promptness in making use of the data. Since the National association took up this program, Mr. Stewart said that projects valued at over \$250,000,000 have been bulletined, of which \$150,000,000 was announced during the past year. He reminded agents that where contracts are to be performed by a non-resident contractor in a state where there is a resident agency law, the bond must be countersigned by a local agent in the state where the project is located.

Magnitude of REA Work

As an indication of the importance of REA development, Mr. Stewart said that approximately 300,000 farms are now using electricity from lines financed by this organization and more will have service available when lines under construction or awaiting approval are completed. Taking into consideration other activities, such as generating and distributing plants, plumbing, refrigerating plants and other electrical equipment, it is estimated that over 750,000 farms in

(CONTINUED ON PAGE 26)

Credit Insurance Is Needed These Days

American Credit Indemnity Official Comments on the Times

ST. LOUIS—In a message to agents of the American Credit Indemnity, John E. Beahn, sales promotion manager, directed attention to war inspired credit problems in the United States and the increased importance of credit insurance in relation to these problems.

The statement noted that "the nation now seems to be living in that calmness which invariably follows a severe shock and, since we may not have another such condition for a long period, it is an opportune time to consider the future so far as we are able."

Indices of Production

The message draws attention to statistical indices of production which have been rising steadily since the middle of May with an abrupt upward sweep occasioned by the introduction of the new automobiles. The economic condition was steadily improving long before the outbreak of hostilities in Europe.

Reviewing the possibility of increased trade with England and France, Mr. Beahn reminded that "the purchases of these two nations must be limited to their available cash. This consideration is far more important to business than possible changes or repeal of the present laws regulating commerce with belligerent nations. It has not been given full consideration and there has been a rush of investors and speculators to buy war-babies on the assumption that the products of the issuing firms would be demanded by England and France."

Prices Artificially Stimulated

Admitting that England and France will require a great many products manufactured in the United States, the message warns that business is leaning too heavily on anticipation of trade with these nations, that prices have also risen in anticipation and that inventories are already far larger than necessary for normal requirements.

"Increased commodity prices already threaten the revival of business activity at home because of the possibility of reduced purchases due to a rapid rise of living costs not commensurate with income. Unless demand for war products develops quickly from overseas, this nation will face the problem of over-production and under-consumption."

American Industry Will Lose

"Whether the war is long or short, American industry will lose; inventories will be swollen, prices inflated and commercial failures will increase both in number and liabilities. At the termination of the war, whenever it occurs, the liquidation of large inventories on a declining market will cause a tidal wave of commercial failures as the same situation did after the world war."

"Conservative business men," Mr. Beahn concluded, "those who desire a reasonable profit over long periods, have been attracted to credit insurance because it is the only reliable method of avoiding sudden and damaging credit

Non Ownership Field Still Fertile

Despite 62% Increase in Five Years W. T. Ashby Sees Market Untapped

BOSTON—Although in the past five years there has been an increase of 62 percent in premiums for non-ownership automobile insurance, the coverage has been sold to only a small proportion of those who need it, according to William T. Ashby, who addressed the convention of the National Association of Insurance Agents. He is a Newark general agent.

Despite the fact that few responsible assured would operate an automobile without adequate insurance, the number of non-owned automobiles for which they are accountable is probably greater than the number of automobiles which they own. If an understandable presentation of the subject were made, many additional policies would be written, he declared.

Some of the newer endorsements, according to Mr. Ashby, offer opportunities for increased premiums. For instance, the drive other cars endorsement should be attractive to those who, while away from home, have occasion to drive automobiles which they do not own. Some of them who carry samples may have frequent occasion to operate commercial automobiles. Drive other private passenger automobiles-limited form-joint owners, partners or officers of corporations endorsement would probably be purchased by those corporations on behalf of their officers if the subjects were brought up.

Government Employees Rider

The nonownership government employees endorsement can be offered to many prospects. Many city, county, state and federal employees use government owned cars. The courts have held that these employees are personally responsible for the results of accidents occurring while the automobile is being used otherwise than upon governmental business.

Independent contractors endorsement should be attractive to shippers by motor carriers, whether contract carriers or common carriers. The best evidence of the interest of shippers is the large number of certificates of insurance which agents are required to issue to them.

Mr. Ashby presented a careful analysis of the coverage and the necessity for it. A fair statement of the law today is, he said, that a master is liable for the tort of his servant committed within the scope of the servant's employment, even though the master was ignorant thereof, and the servant, in committing it, exceeded his actual authority or disobeyed the expressed instructions of his master.

losses. The war in Europe and the disruption of world trade will create a great amount of new interest in this coverage for these conditions are more readily apprehended and understood by business men than are the less apparent hazards of credit granting which exist in peace times."

Springfield's Casualty Move Elicits Interest

Fire Company Managements Impressed by Casualty Strength and Growth

The announcement that Springfield Fire & Marine is organizing New England Casualty was of interest to fire organizations in general and especially those that have casualty running mates. Some 10 years or more ago the Springfield F. & M. people did seriously consider the organization of a casualty company. At that time the casualty business was going forward by leaps and bounds. There was a large amount of new business written. The directors of Springfield F. & M. studied the situation very carefully and realizing that there would be a large amount of new business the question naturally arose as to sufficient financial ballast to take care not only of the premium reserve but of the claim reserve. Casualty companies require large reserves. There was a general avalanche of bad luck in the casualty and surety field and Springfield F. & M. people congratulate themselves that they were not involved.

However, now that the situation has become more stable and many lessons have been learned from the past undoubtedly the directors felt that it might be an opportune time to enter the casualty field. The fire executives realize that casualty business is a very important adjunct to the operations of their agents. Many agents, now representing a casualty running mate, are producing more casualty than fire business.

On Firmer Foundation

As time has gone on it is generally recognized that the casualty business is on a much firmer foundation than ever. Undoubtedly the fire executives feel that their own position in an agency will strengthen their casualty running mates. Many of the fire companies desire to supplement their service to agents and to protect their fire agency plant.

During the last few years a closer relationship has been developed between the casualty and fire companies. It has been brought about undoubtedly by the demand on the part of the public for all risk coverage on certain types of risks including so-called comprehensive coverage on dwellings which fire companies cannot write in some states because of the inclusion of certain casualty hazards. Closer relationship is evidenced by coordinated service between the fire company and its casualty affiliate in a way to control not only the casualty line but the fire as well. Therefore, there is a certain disadvantage of a fire company without a casualty connection and vice versa.

Undoubtedly the grief of the auto-

(CONTINUED ON PAGE 27)

Good Faith Vital in Reinsurance

The task of the reinsurer is the underwriting of company management, according to J. P. Gibson, Jr., president of Excess Underwriters, Inc., of New York, who addressed the mutual insurance convention in Chicago Wednesday. A reinsurer, he pointed out, issues a contract with complete confidence in the management of the company and a reliance on the exercise of good faith. The contract by its provisions attempts to remove any technicalities in the relationship between the two parties.

The errors and omissions clause gives the company elbow room in the reporting of its risks and premiums so that clerical or unintentional errors will not deny the company the coverage it desires. The oversight or inadvertent delay in the reporting of accidents does not void the reinsurance, provided the interests of the reinsurer have not been prejudiced.

Honorable Undertaking Clause

Frequently in the reinsurance contract is inserted the so-called "honorable undertaking clause." The effect of this is to go beyond the errors and omissions clause and provide that it is the real intention of the direct-writing company and reinsurer that shall govern any given case rather than any ambiguous or inadequate wording of the contract.

Good faith is further supported in the contract by the usual arbitration clause, the purpose of which is to settle any misunderstandings or disputes in a friendly manner by referring them to a disinterested third party. There are very few legal cases involving excess reinsurance, and arbitrations are rare. The method of passing the excess liability from the direct-writing company to the reinsurer must operate smoothly, quickly and accurately, he said. Particularly in automobile casualty insurance, the excess reinsurance contracts are automatic and obligatory in nature.

Casualty reinsurance to a large extent is handled by companies writing reinsurance exclusively. The company expects that its reinsurer will not compete for the company's business and that the company believes and the reinsurer understands that the details of any transaction will be handled confidentially.

Good faith and cooperation between the direct-writing company and the reinsurer are vital in connection with appeal of high verdicts. Frequently direct-writing companies find that an appeal is not warranted so far as its own interests are concerned, whereas the reinsurer may have its loss reduced substantially by the prosecution of a successful appeal.

Scholarship Awards Made

NEW YORK—From a \$40,000 grant of the conservation bureau of the Association of Casualty & Surety Executives to the New York University for the support of its safety educational work, the university has awarded 39 fellowships and scholarships for the year newly started, the awards having an aggregate value of \$14,425. Seventeen states and one foreign country are represented. Recipients will spend a full year at the New York University preparing for leadership in school and public safety work.

Start Toledo Casualty Courses

TOLEDO, O. — The Toledo Association of Insurance Agents is sponsoring a casualty insurance study group, offering a course prescribed by the Insurance Institute of America. M. G. Jensen will direct the course. There will be 20 sessions, the first being last week, in the Y. M. C. A. Any stock agent or solicitor is eligible to enroll, without a membership requirement. L. T. Rabuck is chairman of the education committee in charge.

POTENT COMMITTEE CHAIRMEN



KENNETH SPENCER, New York City

At the casualty convention at White Sulphur Springs next week, Kenneth Spencer, president of the Globe Indemnity, will act as chairman of the recep-



JOHN G. YOST, Baltimore

tion committee and John G. Yost, vice-president of the Fidelity & Deposit, is chairman of the golf committee. Both are well fitted for their tasks.

Brewster Explains Auto Rate Setup to Brooklyn Brokers

NEW YORK—W. H. Brewster, assistant manager of the automobile division of the National Bureau of Casualty & Surety Underwriters, in addressing a meeting of the Brooklyn Insurance Brokers Association, related something of the background leading to the changes in the rating methods applicable to automobile insurance. He said that the Bureau examined business involving more than \$6,500,000 of premiums, of which \$1,000,000 involved business use. The non-business use cars showed a loss cost of 26 percent below that of cars used in business. In another group of states, involving \$21,500,000 premiums, the non-business use cars showed a loss cost of 23 percent below that of cars used in business.

In New York state, Mr. Brewster said, non-business cars represent about 85 percent of the total number of private passenger automobiles insured. Hence the great majority of owners will enjoy a substantial reduction in the cost of insurance under the rating program that became effective Sept. 1.

N. Y. Federation Meeting

When the Insurance Federation of New York convenes at Binghamton on Oct. 13-14, the convention will be under the sponsorship of the Binghamton Fire & Casualty Insurance Club. J. F. Ackerman, president of the club, will give the address of welcome opening the convention, with a response by J. R. Thompson, president of the federation. The golf tournament will begin on Friday morning and that day will be given over entirely to the tournament. The convention closes on Saturday with banquet at which F. D. Russell, president Security Mutual Life, and Barent Ten Eyck, general solicitor claims bureau Association of Casualty & Surety Executives, will speak. The association anticipates a substantial attendance of life men at this convention as Mr. Russell will be on the program.

Actuaries' 25th Celebration

NEW YORK—The Casualty Actuarial Society will hold its 25th anniversary meeting at the Hotel Biltmore here Nov. 16-17. The committee on program is preparing for a celebration commemorating the occasion. Members intending to submit papers are urged to send them in promptly.

Further Auto Rate Filings Are Made in Indiana

The General Accident has changed its passenger automobile rates in Indiana to 30 percent off manual for Class A cars; 15 percent off for Class B and Class C at manual rates. Class W premiums apply to all cars.

Yorkshire Indemnity has filed a cut from manual of 30 percent for Class A, 15 percent for Class B and C at manual, with Class W premiums for all cars.

Central Surety also cuts Class A cars 30 percent under manual, Class B 15 percent and C manual.

United States Guarantee files rates 30 percent under manual for non-business use cars, 15 percent for business use cars. Financial responsibility rates are left at manual and Class W premiums are set for all cars.

Car & General files 30 percent under manual for non-business use cars, 20 percent under manual for business use cars, with financial responsibility at manual and Class W premiums for all cars.

Auto Owners Mutual has filed Class W premiums for all automobiles, less 20 percent under manual.

Equity Mutual cuts non-business use cars 30 percent under manual and business cars, 20 percent. Class W premiums for all cars.

State Farm Mutual Automobile files semi-annual rates, Territory 1, \$8; 2 and 3, \$9; 4, \$10 and 5, \$16. Territory 1 corresponds to Territory 6 in manual; 2 and 3 compare with 3, 4 and 5 of manual, 4 with Territory 2 and Territory 5 with 1 of manual.

Home Indemnity calls attention to the fact that in mentioning its new Indiana rates, the Class C notation of 25 percent is a surcharge. Other references are credits.

Millionth Claim Is Paid

State Farm Mutual Automobile of Bloomington, Ill., announces that it has paid its millionth claim and that the total of claims paid during its 17 years exceeds \$40,000,000. The millionth claim was most unusual. It was for a mad dog damaging the interior of the automobile of James Smith of the Richmond, Va., police department.

The 48th session of the Aetna Casualty's home office casualty and surety sales course opened in Hartford Monday morning with 45 men attending. When these men have graduated at the

Set Further Meetings on Chicago Cost Control

NEW YORK—Following the return of company executives from the convention of the International Association of Casualty & Surety Underwriters at White Sulphur Springs next week, members of both the casualty and the surety acquisition cost conferences will meet here to review the status of the rules adopted by both bodies for government of business in Cook County, Ill., to become applicable Nov. 30.

There is no suggestion of making a broad survey of conditions in the territory, the situation basically having been clearly defined in studies already conducted. While certain suggested changes in the casualty rules were advanced by a Chicago representative, these were not deemed of sufficient merit to warrant acceptance, and unless an eleventh hour development occurs the present casualty regulations will stand. So far as the surety rules are concerned, however, it is possible, that these will be modified in certain respects to conform to recommendations by the Chicago fraternity, which have been given attention by a sub-committee of the conference.

Hike Texas Casualty Funds

AUSTIN, TEX. — The special board on appropriations has hiked the operating funds for the casualty department of the Texas insurance board \$13,000. It was shown that the department had been crippled by Governor O'Daniel's veto of appropriation items. The governor is a member of the special board. It is believed the department will be able to man its forces properly with the additional funds.

Elmer Jones Production Aid in Phoenix-London Group

Elmer Jones has been appointed to the newly created position of assistant superintendent of production for the Phoenix-London group. He is succeeded as superintendent of the payroll audit department of London Guarantee and Phoenix Indemnity by Alexander Pringle, Jr. Mr. Jones went with London Guarantee in 1923 as junior liability underwriter. Two years later he was transferred to the payroll audit department and was appointed superintendent in 1928.

Mr. Pringle went with Royal Indemnity in 1912 as payroll auditor. He later served for nine years as supervising auditor of Independence Indemnity and was later connected with the payroll audit department of Massachusetts Bonding.

Chicago Fidelity Lectures Started

The United States Fidelity & Guaranty's Chicago office under W. O. Schilling, manager, is holding a series of fidelity meetings for brokers every other Tuesday morning for one hour. The first session was held this week under the direction of M. E. Dudley, city supervisor. Among the subjects to be covered will be the mercantile fidelity chart, application form, employers' statement and the various types of coverages.

Compensation Refund Denied

ST. PAUL—Insurance companies need not refund \$1,000,000 to Minnesota employers because of alleged improper rates on compensation insurance in 1936-37, Judge McNally ruled today in an action brought by a group of employers against the Minnesota Compensation Insurance Board and the Minnesota Rating Bureau. The court held the action was begun too late and that the compensation board had no authority to compel insurance companies to make the refund sought.

end of an intensive, five weeks' course, they will swell the total number of graduates to more than 1,800.

Accident, Liability Cover Compulsory in CAA Pilot Plan

Three American Markets to Write Special Policies for Student Aviators

NEW YORK—Personal accident insurance, public liability and property damage coverage will be compulsory for every student in the extensive civilian pilot training program which the Civil Aeronautics Authority is getting under way. Coverage may be written in any one of the three American insurance markets—Aero, Associated, or United States Aviation Underwriters. It is expected that the new program will open up a big market for the sale of aviation coverage while of course general aviation insurance will eventually also be stimulated by the greater interest promoted by the CAA's program.

The CAA plan, which should not be confused with the army's program, under which no insurance is required, will operate in connection with schools and colleges. It will draw its students mainly from these institutions, although students need not attend college to take the course. The academic instruction will be given at the college, while the actual flying instruction will be given at nearby accredited flying schools.

Low Rate Provided

The insurance setup is that the college, which is paid by the government for giving the flying course, must provide \$3,000 of principal sum personal accident insurance against death in a flying accident and \$500 of medical expense coverage. A uniform personal accident policy for this type of risk has been worked out by the three aviation underwriting offices and has received the CAA's approval. This coverage is written at the very low rate of \$14 per student. The price is made possible by the relatively large numbers expected to buy it, the favorable mortality expected because of the careful selection and supervision of flying schools by the CAA and finally because the coverage applies only during the flying course and not to other types of flying.

The requirements on the liability side are that there must be \$50,000/\$100,000 public liability and \$5,000 property damage, covering the liability of the flying school, the college, the Civil Aeronautics Authority and the student himself. This is written at \$12.75 per student and covers only during the flying done in the course of the CAA program. Any of the school's instruction planes that the students would be likely to use are named and covered in the policy so that he is not confined to using any particular ship.

Contracts Are Simple

Both the accident and liability contracts are extremely simple. The accident insurance application requires only the applicant's name, residence address, college, location of the college, and name and address of the beneficiary.

One effect of the CAA's program will be to enable many flying schools to qualify for lower workmen's compensation rates. The flying hour rate for student instruction is \$1.50 for flying schools not approved by the CAA and half of that for approved schools. In the past the CAA has had regulations under which schools had to operate in order to be "approved" but until now the great majority of schools have not operated under the approved basis. However, the new civilian pilot training program pro-

Ask Rehearing in Countersignature Case in Virginia

RICHMOND—Application for a rehearing of issues involved in the Virginia countersignature case and for an injunction pending an appeal from the decision of the three-judge federal court holding the act constitutional, if one is taken, was filed by A. D. Christian, Richmond attorney, representing a group of casualty companies and several branch managers who were plaintiffs in the case. Oct. 12 was fixed as the date for argument on the motion for rehearing. The application seeks modification of the opinion filed Sept. 6. Plaintiffs contend that the court's findings of fact and conclusions of law were incorrect. It was requested that these be corrected. Additional fact findings also are asked.

Seek Alterations in Conclusions

Alterations in conclusions of law alleged to be incorrect were requested thus:

1. Conclusion that "the requirements imposed by the act of 1938 upon the plaintiffs with regard to contracts of insurance made outside Virginia are not beyond the jurisdiction of the state" should be altered to express the contrary conclusion.
2. Conclusion that "the provisions of the act are not arbitrary and unreasonable or in violation of the federal constitution" is incorrect and should be altered to express the contrary conclusion.
3. Conclusion that "the prayer for in-

vides that flying schools cannot get any of this type of business unless they operate on an approved basis, at least as far as CAA student training is concerned. To the extent that they operate on the approved basis they would qualify for the 75 cent flying hour workmen's compensation rate.

Student instruction is not a particularly hazardous type of work and is regarded as less dangerous than a number of other types of flying, for example, private piloting. In approved schools, there is not only the safeguard of regulation and supervision by the CAA but the fact that these regulations call for considerably more dual instruction than is usually given makes for greater safety for both the student and the instructor. A greater amount of dual instruction reduces the exposure per hour for the instructor, since there is proportionately less time spent with completely inexperienced students.

Direct Mail Award Winners Listed

In the list of prize winners announced by the Direct Mail Advertising Association a number of insurance companies are included among the leaders. The effective letters cup went to A. W. Theiss of the Ohio National Life. He is mail promotion manager for his company and is also chairman of one of the committees of the Direct Mail Association. Included also among the leaders were the Aetna Life, whose advertising manager is C. V. Pickering and Bankers Life, with J. H. McCarroll, advertising manager. Honorable mention was given Acacia Mutual Life, R. W. Osler, advertising manager; Connecticut Mutual Life, R. C. Berger, editor of publications. The advertising of the Hardware Mutual Casualty, P. G. Parkinson, advertising manager, and the Central Manufacturers Mutual of Van Wert, P. W. Purmort, assistant secretary, also qualified as leaders in this contest which was marked by excellence and number of entrants, according to the association. This is a nationwide competition participated in by the companies having outstanding advertising departments in all lines. The president of the association commented about the uniformly high excellence of all campaigns submitted in this year's contest.

terlocutory and permanent injunctions should be denied and the bill of complaint dismissed" is incorrect and should be altered to express the contrary conclusion.

Additional Conclusions Asked

The following additional conclusions of law submitted to be proper were asked:

1. The provision of the statute which forbids salaried agents to countersign contracts covering in Virginia and disqualifies them from countersignature required by the statute, when considered in the light of its application to contracts produced within the state of Virginia, violates the rights of the agent plaintiffs because it . . . denies them the equal protection of the laws, and violates the rights of the company plaintiffs because it deprives them of their property without due process of law.
2. The provision of the statute which forbids countersigners of contracts produced outside of Virginia to allow or pay to non-resident brokers or agents not licensed by Virginia who shall have produced said contracts any portion of any commission, and prevents the company plaintiffs from procuring said al-

Medical Expense Rider Readily Sold by Few Who Push It

One Agent Sells Endorsement on 85 Percent of Liability Renewals

While total sales of the new medical expense endorsement for automobile liability insurance have not been impressive, home offices have observed that what business has been done has come from a few agencies and these have done extremely well with it. One agent, for example, attaches the extra coverage routinely to all his renewals and 85 percent of it sticks. Others in the same office who tried the plan report that fully 75 percent of their renewals handled in this way retain the medical expense feature.

It has been noticed that the agencies selling the new rider are of the live wire type. The rest appear not to have discovered how to fit it into their selling. This is frequently the case with new coverages.

One encouraging indication has been
(CONTINUED ON PAGE 29)

lowances or payments by Virginia countersigners of said contracts to said non-resident brokers and agents, violates the rights of agent plaintiffs for the reasons stated in paragraph 1 and violates the rights of the company plaintiffs for the reason there stated.

O'Brian Named as Counsel

J. L. O'Brian, prominent Buffalo, N. Y., attorney, and former U. S. deputy attorney-general, will represent the casualty companies in seeking reversal by the Supreme Court of the United States of the Virginia ruling, in case a rehearing is denied.

While deputy attorney-general under the Hoover administration, Mr. O'Brian was in charge of the anti-trust division. Under the Roosevelt administration he was for a time counsel in connection with actions which attacked the constitutionality of the Tennessee Valley Authority legislation. He has represented the Metropolitan Life in various matters.

COMMITTEE CHAIRMEN AT BOSTON CONVENTION



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Membership



LYMAN M. DRAKE, Chicago
Standard Fire Policy Revision



W. HERBERT STEWART, Chicago
Surety

ACCIDENT AND HEALTH

H. & A. Conference to Meet in Minneapolis June 11-14

The next annual meeting of the Health & Accident Underwriters Conference will be held June 11-14, 1940, in the Nicollet hotel, Minneapolis. This decision was made at a meeting of the executive committee held in Chicago this week. H. P. Skoglund, North American Life & Casualty, Minneapolis, is chairman of the 1940 convention committee.

G. U. Blomholm, Anchor Casualty, heads the golf committee; G. A. L'Estrange, Wisconsin National Life, program; A. D. Johnson, United, transportation; Paul Clement, Minnesota Commercial Men's, entertainment; Harry McGinnis, Progressive Mutual Assurance, hotel accommodations; M. W. Hobart, Ministers Life & Casualty, registration; Walter Fearn, A. O. U. W. of North Dakota, exhibits.

The first meeting of the Bureau of Personal Accident & Health Underwriters under the present administration will be held in New York Oct. 5.

Companies' Hospitalization Better Than "Non-Profit"

INDIANAPOLIS — Following a study of policy forms of 35 private insurance companies and 41 "non-profit" hospital service associations, the committee on public health of the Indianapolis Chamber of Commerce has advocated the purchase of group hospital insurance only from "institutions recognized and supervised by the state insurance department, and having adequate guarantees of prolonged financial stability." Although Governor Townsend vetoed the hospital enabling act passed by the last session of the Indiana legislature which would have provided for the establishment of community "non-profit" hospital service associations under the supervision of the insurance department, the committee noted "there is apparently on foot further plans to bring the community service idea to Indiana." The committee analyzed the differences between the private insurance and "non-profit" hospital service plans.

"If there were no other way for

people to insure themselves against the hazards of sickness and hospitalization except by cooperative methods," it concluded, "there might be legitimate need for such methods, but since the same purpose can be accomplished by private insurance companies on an indemnity basis, the committee feels there are definite dangers in the operation of the so-called non-profit community hospital service plans as they generally exist."

B. M. A. Is Now Covering Juniors and Students

KANSAS CITY — Several new accident and health coverages were announced at the 30th anniversary convention of the Business Men's Assurance. New accident policies for juniors and students have been issued. There has been considerable demand for such a policy, especially for juniors under 14, and for students, particularly in high school athletics. Benefits under the junior accident policy, which is sold on children 5-13 inclusive, include \$150 medical reimbursement; up to \$32.50 for certain specified dislocations, fractures or amputations; \$1,000 principal sum and dismemberment; \$2,000 for death from common carrier and other special accidents. The first annual premium is \$8, and \$6 thereafter.

The student accident policy, selling for \$22 the first year and \$20 thereafter, provides medical reimbursement up to \$500 on accidents except those sustained while engaged in school games or athletics and up to \$150 on such accidents, with the same benefits for accidental death, dismemberment and specific losses.

A schedule of surgical benefits is now being included along with hospitalization benefits on individual hospitalization policies. It can be purchased only in conjunction with a hospitalization policy for \$5.

Because of favorable experience, the B. M. A. has reduced the rate charged for non-occupational accident and health coverage.

Accident-Health Association Formed at Lansing, Mich.

LANSING, MICH. — The Lansing Accident & Health Association was formed with a charter membership of 14 at an organization meeting here. The meeting was called at the request of R. J. Long, Great Northern Life, Detroit, chairman of the Detroit association's outstate club promotion committee and regional membership chairman for the National Accident & Health Association. Every eligible man attending joined the new association.

E. G. Lambertson, Lambertson agency, arranged for the meeting and outlined its purpose. Mr. Long explained the benefits of local organization in the accident and health field, outlining the programs of the Detroit and National associations. Kenneth O'Connor, Maccabees, Detroit president; Henry Dyble, American Service Bureau; Glenn E. Reitzel, Michigan Life, and L. E. Black, Hooper-Holmes Bureau, spoke on different phases of associational activities and benefits. Also in attendance were Leslie King, state supervisor Hoosier Casualty, and F. M. Zuttermeister, Continental Casualty, Chicago.

Mr. Lambertson called for a vote on organization, which was carried unanimously, and the following officers were elected: President, J. P. Leatherman, Continental Casualty; vice-president, E. G. Lambertson, National Casualty, and secretary-treasurer, L. E. Stratton, Massachusetts Bonding.

Call for Hospital Coverage

NEW YORK — Casualty companies report an increasing call for hospitalization policies, notably from those heretofore holding membership in different hospital associations, which appear to be confining their coverages to groups, cutting out individual contracts. The stock companies that adopted the standard

hospitalization policies some months ago state they are writing a fair volume of the business, about equally divided as to types of coverage between that granted under forms 7 and 9.

Give California Convention Plans

A special meeting of the Accident & Health Managers Club of San Francisco was held Wednesday to discuss attendance from northern California at the convention of the California Association of Accident & Health Clubs in Los Angeles, Oct. 20-21. The Los Angeles club, host to the convention, has arranged an unusual program of entertainment each day following the business sessions.

"The Fundamental Problems of Accident and Health Insurance" will be the topic for a panel discussion at the opening session.

Byron D. Williams, chairman of the program committee, plans to have a prominent member of the Los Angeles County Medical Society, an official of the Casualty Adjusters Association, and a prominent Accident and Health salesman lead this discussion, thus giving an opportunity to learn what the other fellow is doing and thinking and to clarify some of the misunderstandings that exist among the three interests.

Honor President Boardman

The Wisconsin National Life is holding a special production campaign in October to honor President C. R. Boardman, who will celebrate his 79th birthday Oct. 28. Both the life and accident and health departments are participating with special merchandising prizes for those making 100 percent and 150 percent of their quotas plus special anniversary awards.

Plan Visit to Mexico

Leading agents of the Phoenix, Ariz., branch of the Mutual Benefit Health & Accident and United Benefit Life, under Manager John Lambert, will leave Oct. 12 for a five-day visit in Mexico. One day they will be the guests of the governor of Sonora at Guaymas. A number of managers from other parts of the country will attend, including E. B. Brink, Detroit, and D. M. Brovan, northern California. The home office will be represented by Vice-president S. C. Carroll and C. E. Forbes.

Heads H. & A. Unit in Buffalo

BUFFALO — Earle W. Popp has been appointed manager of the health and accident department of the Charles F. Joyce Co. agency of Buffalo. For the past five years Mr. Popp has been local credit manager in western New York for the General Electric Company.

Claim Men to Hear Hunsinger

Dr. J. E. Hunsinger, assistant medical director Continental Assurance, will address the Chicago Claim Association on "Coronary Thrombosis" at its first meeting of the season Oct. 11 at 6:30 p. m. in the restaurant on the 22nd floor of the Medical & Dental Arts building, Wabash and Lake.

A new president will be elected to succeed Charles Kingston, Connecticut General, who resigned following his entrance into personal production.

Hearing on State Mutual Tax

ST. PAUL — The action started several months ago by the State Farm Mutual Automobile to have the courts determine whether its membership fees are subject to the State tax on premiums is due to come up for trial this month. The Minnesota department is made a party to the action because Commissioner Yetka contends the fee is taxable.

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STATEMENT

DECEMBER 31, 1938

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,600,823.52
Other Bonds	1,206,532.48
Stocks	96,566.00
Other Assets	466,428.80
Total	\$3,370,350.80

Reserves:

LIABILITIES

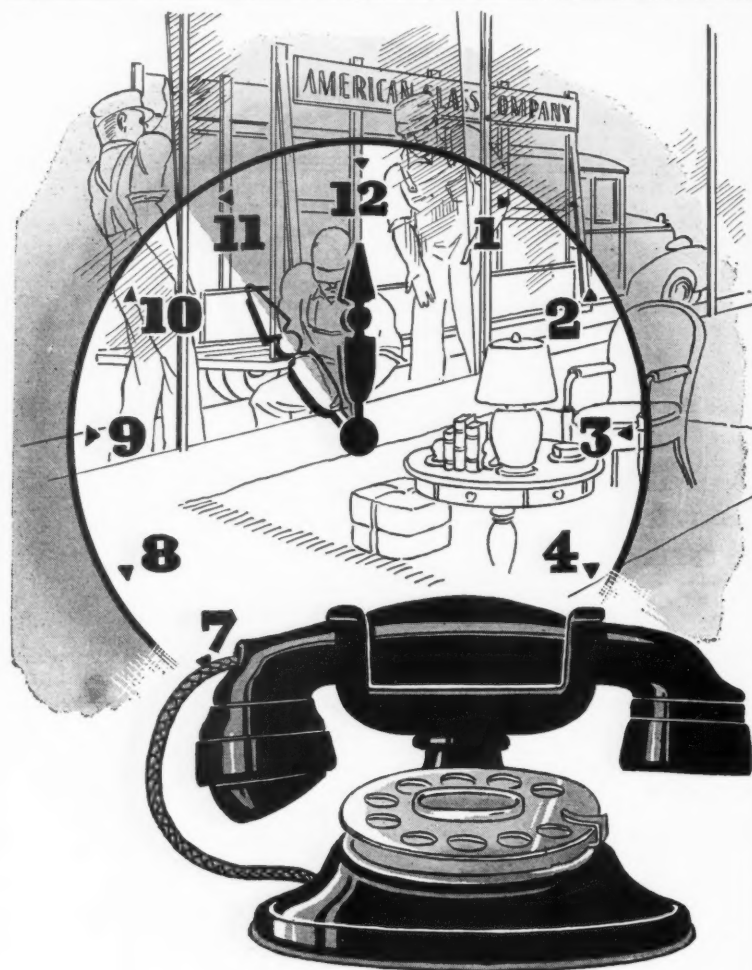
Voluntary Contingency	\$ 224,299.34
Other Liabilities	646,051.46
Statutory Deposit with New York	\$ 850,000.00
Net Surplus over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$3,370,350.80

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,355,063.27 are deposited as required by law.



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EXECUTIVE COMMITTEE CHAIRMEN



C. B. MORCOM, Hartford, Conn.



C. A. ABRAHAMSON, Omaha

At the big casualty convention at White Sulphur Springs next week, C. B. Morcom, vice-president of the Aetna Casualty & Surety, will serve in his official capacity as chairman of the executive committee of the International

Association of Casualty & Surety Underwriters. C. A. Abrahamson of Omaha will act in a similar capacity for the National Association of Casualty & Surety Agents. Both are able men of national reputation.

NEWS OF CASUALTY ASSOCIATIONS

New Michigan Death Act to Greatly Affect Claims

DETROIT — Settlement of claims in Michigan, particularly in the automobile field, is profoundly affected by passage of the new "death" act by the legislature, R. G. Jamieson, adjuster Detroit Auto Inter-Insurance Exchange, told the Detroit Adjusters Association at the first fall meeting. L. J. Robb, claims manager American Automobile, presided.

Under the former statutes governing negligent homicide, two courses of action were open: If the victim survived the accident and died later as a direct result of it, action had to be brought under the survival act; if death were instantaneous, action had to be taken under the death act. The rules of damage under these statutes were radically different and were considered by many attorneys to be inequitable.

The new death act greatly simplified the action in negligent death cases, Mr. Jamieson said. A single action now may be taken regardless whether the victim died at once or lingered.

L. J. Carey, legal department Michigan Mutual Liability, discussed proposed changes in the workmen's compensation act introduced in the last legislature, and Edward Rockwell, attorney, discussed changes made in the highway traffic act and their effect on liability adjustments.

Los Angeles Adjusters Meet

LOS ANGELES—Attorney Clyde Downing addressed the Casualty Insurance Adjusters Association on the proposed \$30-every-Thursdays amendment to the constitution that is to be voted on Nov. 7.

The committee on fraudulent and unethical practices reports on a case where a carrier on automobile coverage with subrogation rights had advised a guest in one of the cars involved in an accident not to talk to the carrier on the other car without the subrogation carrier representative being present. The committee held that the subrogation carrier was going beyond its rights in so advising the guest.

The Des Moines Casualty & Surety Club will install new officers at a lunch-

eon Oct. 9. J. R. Owens is the newly elected president.

The Casualty & Surety Club of Baltimore held its fall field day this week. B. C. Taylor, U. S. F. & G. is president.

Write \$500,000 Gimbel Bond

The Philadelphia office of the United States Fidelity & Guaranty which is conducted by Zebley & Strouse, has written an executor's bond in the penalty of \$500,000 in connection with the estate of the late Daniel Gimbel.

Michigan Association Outing

DETROIT—About 25 members of the Surety Association of Michigan attended the golf tournament and outing at Red Run Golf Club near Royal Oak. A heavy rain in the middle of the afternoon brought the tournament to an abrupt end after nine holes and forced the players to the clubhouse for the remainder of the day. Despite the rain, the dinner in the evening was a jolly affair. President T. A. Eggleston, Aetna Casualty, headed the delegation and Edward Miller, Jr., Globe Indemnity, handled the arrangements.

WANTED

Special Agent for old established eastern casualty company. Preferably familiar with one or more middle-western states. Must have thorough knowledge of all casualty lines. In reply give full particulars as to age, experience and qualifications.

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(CONTINUED FROM PAGE 19)

44 states will eventually receive some type of REA service.

The rules of REA provide that borrowing corporations may select their own local agent and company for fidelity bonds. The borrowing corporation may authorize REA to place the business at Washington, but there is no indication that the administration attempts to

influence the borrower at all. Mr. Stewart said that approximately 80 percent of the bonds are written by local agents in the vicinities where the projects are located. These bonds, he said, will likely be continued in force for a number of years and hence are very desirable business.

Fidelity Schedule Acceptable

Many of the United States Housing Administration contract bonds have been rated under the program agreed upon two years ago, to the apparent satisfaction of all concerned. The fidelity bond schedule developed to cover officers and employees is considered acceptable. This

business, Mr. Stewart said, is available to local agents, as each local housing authority has the power to place insurance through its agent. Mr. Stewart expressed the hope that the amendment to the United States housing act which failed to pass last year and which provided that all bonds should be written only in companies admitted in the state where the project is located will be brought up and passed next year.

Fights Indemnity Funds

Mr. Stewart reported a disposition on the part of both the federal government and many state governments to set up self-insurance funds to replace fidelity

and surety bonds. This situation, he believed, was brought about largely by the government's desiring to dictate the rates that private carriers should charge for protection. These funds, he pointed out, are limited to the amount collected, while the surety companies provide for protection for the full penalty of their bonds at a small premium. The companies have been unable in spite of several years' effort to estimate losses under these bonds accurately and hence Mr. Stewart pointed out that it is not logical to believe that any fund can be sufficient over a period of years to provide full indemnity.

The Agricultural Adjustment Administration set up a fidelity trust fund for county agricultural associations, which was discussed at the Hollywood mid-year meeting. The department, Mr. Stewart said, now intends to amend its regulations to permit any county association to purchase bonds instead of contributing to the fund if it desires. Although several state fund bills have been submitted to legislatures to cover public officials, Mr. Stewart said that none have passed to the knowledge of the committee and he hoped that none would be successful.

Blanket Bond Commission

Mr. Stewart repeated his former recommendation that the commissions on blanket bonds should be the same as on other forms of fidelity and surety bonds. Commercial and blanket position bonds, he maintained, require a higher degree of salesmanship than other fidelity forms and the smaller commission gives the agent very little incentive to push them. An agent selling a bond of this type has met the needs of a large proportion of fidelity insurance buyers and he should be compensated for the service which he has rendered. The matter has been brought up before the Acquisition Cost Conference and Mr. Stewart hoped for favorable action soon.

The surety committee has cooperated with the Florida association in endeavoring to induce stock surety companies to cease writing qualifying bonds for non-stock carriers. As a result of this activity, there are at present only two bonds outstanding and cancellation of one at renewal date has been assured. Mr. Stewart said that the committee will have a full report on the situation in other states soon and that now it appears that bonds of this type are limited to a few stock surety companies. He said that stock companies should not execute these bonds for carriers in direct competition with themselves and their agents on a basis contrary to the principles of stock insurance.

Contract Bond Situation Good

The large contract bond rating and commission situation continues satisfactory, Mr. Stewart reported. This plan applies to bonds covering contracts of \$2,500,000 and over. The surety committee has taken the position that where the estimate is approximately \$2,500,000, and the contract is actually bid or let for less than this amount, the standard rate and commission should apply. The Towner Rating Bureau has maintained that if this is done, any contracts which might be estimated for less than \$2,500,000 but are actually let for more than this amount, should take the special rate and special commission. Mr. Stewart was in favor of this procedure, provided provision were made in the special rate. He said that the surety committee has presented the matter to the Towner Rating Bureau and hoped that it would be settled soon.

New Warning Against Deductible

Commissioner Taggart of Pennsylvania has issued a new warning against the writing of plate glass insurance under a deductible endorsement of an accumulative nature on the retention principle. He recalled that the department prohibited such procedure in a bulletin of July 21, 1939. He warns that violators will be proceeded against. The regulation does not apply to the flat sum form of deductible insurance as used in the writing of collision coverages, he said.

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IT PAYS TO UNDERSTAND EXCESS INSURANCE

Casualty Move Elicits Interest

(CONTINUED FROM PAGE 19)

mobile business and the desirability of being in a position to offer the same service to agents as most companies and casualty affiliates do had a bearing on the Springfield F. & M. decision. There seems to be a very strong demand not only on the part of the agents but by the owners of automobiles for a policy that will include not only those hazards that a fire company can write but also the casualty hazards. The fire company executives have been watching the growth of the casualty business and realize that it is moving much faster than the regular fire lines. Local agents are going after it, realizing that it is in many ways their best bet.

Agency Proportion Changes

Most agents today have a larger percentage of casualty and surety business than they have of fire and its allied lines. The growth and the importance of the casualty and surety business has been astounding and has made an impression on insurance people as a whole. It is now, according to some executives, showing greater stability as far as volume is concerned than the purely fire business. Taking into consideration the side lines which stock fire companies are now writing and their inland marine floaters their volume for 1938 was exceeded by the casualty companies. The high mark for the stock companies in fire business was reached in 1928 when it was \$635,750,000. It dropped from that point until 1933 when the low mark was reached, \$419,102,000, a decline of 34.1 percent. Pure fire business showed a slight gain of 2.8 over 1933 reaching \$431,122,000. This was still a decrease of 32.3 under 1928.

Total fire and collateral lines of stock companies reporting to New York amounted to \$884,071,000 and in 1938 to \$564,688,000, a decrease of 36.1 percent. In 1938 these companies wrote in fire and sidelines \$694,714,000, a decrease of 21.4 percent under 1928 but an increase of 23 percent over 1933. It is evident, therefore, to all students of the business that the sidelines have been a remarkable factor in developing the premium volume of fire companies.

Record in Casualty Field

In 1928, the stock casualty companies reporting to New York state wrote in premiums \$779,375,000, dropping to \$598,448,000 in 1933, a decrease of 23.2 percent as compared with 36.1 percent for all classes written by the fire companies. In 1938, the casualty volume rose to \$800,155,000, an increase of 2.7 percent over 1928, as compared with a decrease in total volume for the fire companies for the same period of 21.4 percent.

Studying these statistics many fire officials feel that the casualty field presents a wider opportunity for the development of business at present than the fire. The fire companies that have casualty affiliates are using them as a leverage to secure fire business in a perfectly legitimate way. There has been a profit in the casualty business in the last five years. It is a very clear indication that the casualty business is thoroughly well settled. The underwriting is more selective. The officials are more conservative and they are out for profit.

Fights Caminetti License Threat

The California Physicians Service of Los Angeles has filed an action in superior court, requesting to be adjudged independent of the insurance department and to be permitted to function without a license. The suit states that Commissioner Caminetti had threatened to file charges against officers of Physicians Service if it continued to operate without a license.

WORKMEN'S COMPENSATION

State Pays Half of O. D. Cost in Pa. for Two Years

HARRISBURG, PA.—With a fund of \$100,000 from the state which will pay half the costs of compensation for two years, Pennsylvania's new occupational disease compensation law went into effect Oct. 1. Employers' shares of payments will be increased by 10 percent stages until they bear the entire cost after Oct. 1, 1949.

Defines Occupational Diseases

Occupational diseases are defined in the law to include miners' asthma, silicosis, asbestosis, "bends" from work under compressed air, ailments attributable to contact with radioactive substances, anthrax, skin inflammation from oils and dusts and burns due to phosphorous.

Only a few employers rejected provisions of the occupational disease act in favor of common-law settlements.

A new workmen's compensation scale, reducing payments to about 25 percent above the pre-1937 level, also was effective Oct. 1.

Mid-Term Rate Increase in Illinois Is Withdrawn

The compensation and occupational disease rate increases that were made effective in Illinois as of July 1, to correspond to increased benefits under an amendment to the law have now been withdrawn by action of the National Council on Compensation Insurance. The council's regular biennial revision of rates is scheduled to go into effect in Illinois as of Oct. 30. The committee apparently felt that it would be inadvisable to make an interim rate change. It is understood that excluding the effect of the law amendment, the experience indication is for a reduction of about 9.1 percent in Illinois. That means that the average reduction will be about 3 percent from the going level.

Most of the companies had already taken steps to put the rate increases into effect. They had notified agents and brokers that the rate increase endorsements would have to be attached and they had gone through the record calculating the change on each individual policy. The rates would not have

been applied to policies expiring during the period July 1 to Sept. 1.

Some of the agents expressed vigorous opposition to the proposed change in mid term.

May Rehear on Arkansas Act

LITTLE ROCK, ARK.—The supreme court is considering a motion for rehearing of litigation over validity of petitions to refer to voters the workmen's compensation act of the 1939 legislature, considered legally deceased since July. The court's July decision held the petitions were sufficient and the act thereby was held in abeyance pending a vote by the people at the next general election. If the court should grant the rehearing the possibility would be raised that the compensation act would be in effect. The act provides for insurance with private companies and sets up a workmen's compensation commission of three members. Interests which sponsored the referendum move favor a "state plan" for which petitions were filed and will be voted on.

Nickels Heads International Body

MILWAUKEE—W. H. Nickels, Jr., chairman of the Virginia industrial commission's compensation department, was elected president of the Interna-

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tional Association of Industrial Accident Boards & Commissions at its annual meeting here. Other new officers elected are: Vice-president, C. K. Newcombe, Winnipeg, Canada; secretary-treasurer, Verne A. Zimmer, Washington, D. C., (reelected), and executive board members, Erskin Wyman, Hutchinson, Kan.; W. H. Debel, St. Paul; W. H. Chestnut, Harrisburg, Pa.; Mrs. E. S. Tousant, Boston; E. W. Suppiger, Boise, Ida.; Voyta Wrabetz, Madison, Wis., past president.

The 1940 convention will be held at Richmond, Va.

Among the speakers was J. D. Dorsett, manager of the casualty department Association of Casualty & Surety Executives.

California Fund Aggressive

SAN FRANCISCO — Indicating the increased aggressiveness of the California state compensation fund in competing for business against private carriers is the report for August. Since the new administration took hold the former routine reports have become optimistic and enthusiastic reports of accomplishment and the August report is no exception. It says that in August the fund issued policies to 971 employers who had never previously done business with the fund, with an initial premium of \$56,491. Total premiums were \$954,805, an increase of \$122,362.

Third Reduction in Maine

AUGUSTA, ME. — A third reduction in compensation rates, effective Oct. 1, was announced by Commissioner Lovejoy. The average cut will be 10.2 percent. Concerted efforts of employers and employes in accident prevention studies and methods made possible this action.

COMPANIES

Tells Principles of Rehabilitation Plan

BOSTON — E. S. Oppenheimer of Springfield, special administrator appointed to act for Commissioner Harrington, the receiver, in rehabilitation of Massachusetts Accident, announced some of the principles he probably will follow in his work.

"We shall probably be guided in our problem by what was done in the case of the Pacific Mutual, as being the best example available of the working out of a rehabilitation plan," he said. "The first work will be to have a complete examination made of the affairs of the company so far as they are connected with or relate to the non-cancellable business. We shall secure the best actuaries possible. It will probably take six or eight weeks before we can know just what the real situation is."

"When we are able to determine the real values behind the non-cancellable policies, the reserves and their earnings, and tabulate the expectancies of the policies—not an easy matter since some of them are for life and some terminate at age 60, with various other modifications—then we will be in a better position to work out a proposition, or optional propositions, for the non-cancellable policyholders."

May Somewhat Reduce Benefits

"Presumably, the plan will involve reduction of benefits on a formula adjusted to the premiums which will enable the company to carry all the non-cancellable policies now on the books through to their termination. Of course no new non-cancellable business is to be written and none has been written since 1935. At the end of 1938 the amount of non-cancellable business on the books amounted to some \$485,128 in premiums."

"Whatever plan is adopted, with all the details, will, of course, have to be submitted to the court for approval un-

der the conditions set down in the rehabilitation act. Once approved by the court, whatever adjustment is made will have the force of law and the policyholders will be bound to accept the terms."

The Massachusetts Accident, which has for some years shown a healthy growth in its cancellable accident and health business, gaining about \$100,000 premiums last year, will not be affected in any way in the conduct of its cancellable business, and is now operating independently of the segregated non-cancellable line, with its large force of agents in 12 states staging a "Loyalty Program" for new business.

Mr. Oppenheimer, who comes from a well known insurance family in Springfield, has had some 15 years' experience as field man and broker.

Florida Companies Chartered

Florida Surety and Pan-American Surety, both of West Palm Beach, Fla., have been chartered. The incorporators in each are G. P. Gentry, E. J. Reed and A. L. Fielding.

PERSONALS

T. U. Lyman, assistant general manager of the New York office of the Aetna Casualty & Surety, died in Maplewood, N. J. He had spent the previous day at his desk, but was taken ill suddenly at his home in the evening. He was born in Dunlap, Iowa. He graduated from Iowa College. Next he entered the University of Wisconsin to study law and specialized in insurance law. He was captain of the football team for three successive years.

Having completed his law studies, he joined the Travelers at its home office in Hartford and eventually became head of its liability claim department. In June, 1922, he joined the Aetna Life companies at the home office and on Oct. 15, 1923, he became manager of the automobile, liability and workmen's compensation department at the New York office.

G. A. Buzard, cashier in the Dallas office of the Travelers, was honored with a luncheon in celebration of the completion of 25 years with the company.

C. S. Kuhn, ranking vice-president of the American Indemnity of Galveston, is in California visiting T. V. Humphreys of Los Angeles, Pacific Coast general agent.

Ray Murphy, former Iowa commissioner, now assistant general manager of the Association of Casualty & Surety Executives, was a spectator at the University of Iowa-South Dakota football game at Iowa City last Saturday. Mr. Murphy's son is a member of the Iowa team and took a prominent part in its 41 to 0 victory.

R. H. MacKinnon, agency director Massachusetts Bonding in Detroit and manager of the Transportation Service Bureau, conducted a quiz on personal appearance and knowledge of rules of the road in the trucking industry at the Truck Drivers Rodeo in Detroit. He is a past president of the Detroit Accident & Health Association.

C. S. Ashley, Jr., resident vice-president Maryland Casualty in charge New York office, is recuperating satisfactorily from an operation. He is expected to be at his desk in a few weeks.

Asks Okla. Experience on Trucks

OKLAHOMA CITY — Application for increase in rates filed with the state insurance board by companies on Class 5 long haul trucks has been turned down by the board and a refileing has been asked by the board. The board desires that the truck and trailer be considered as a single unit and that the companies refile their experience covering the past three years; then at the end of the fourth year report on that year as well as the fifth, when the full five-year experience will be complete.

"Ad" Men Reelect R. C. Dreher

(CONTINUED FROM PAGE 5)

applications to all insurance practices. He foresees a much greater proportion of trade paper accounts from advertising agencies and far more advertising done through joint effort of all companies in the business. He paid high praise to the editorial staff of the insurance press. He said it compares favorably with any other business field. Advertising development in the trade press has been weak, partly because of a conservative attitude of company executives. He doubts that any single publication can do top work with both news and education. Interpretation and analysis of news and technical progress will receive greater attention. He quoted the late E. Jay Wohlgenuth of THE NATIONAL UNDERWRITER as stating correctly that the insurance press needs no subsidies and has full value to deliver. The insurance business is an isolationist business to a marked extent, he declared.

Trends in salesmanship follow social and business organization changes, said F. S. Dauwalter, assistant manager National Board, opening the discussion session Tuesday morning. Old style selling was based often on forcing something across. Today selling is a skillful presentation designed to lead the buyer to want to act favorably on the sales proposal. The alert buyer of insurance today expects his agent to explain every new form of insurance available and to check the changing condition of the client's business against all existing coverages. That, said Mr. Dauwalter, is the changed attitude of important buyers. Fire and casualty agents sometimes fear to make real sales efforts because they have been accustomed to write what the buyer recognized as a need upon a mention of it only.

Utilizing the Credit Men

H. E. Taylor, American, urged companies and agents to learn more about the insurance fact finding plans of the credit men. The plan is to get the credit manager to seek his insurance information from the agent of the insured rather than from the insured himself. That would enlist 19,000 credit men in the effort to encourage more survey work on risks. The survey form suggested by the credit men includes questions on life insurance also.

Careful Audits of Needs

The personal account, if sold on the basis of insurance as protection regardless of single pieces of coverage, can become of sufficient size to treble the business from that source, explained Mr. Dauwalter. That means careful audits of insurance needs, followed by definite programs for coverage and payments.

Harry G. Helm, Glens Falls, believes personal selling includes too many elements not to be duplicated by the printed word ever to become less important in the selling process. These among others are the voice, the personal magnetic, the attentive power commanding hours of time, when letters, portfolios and advertisements can at best get only a half hour or a little more. Every phase of insurance action, from policy preparation to claim settling has a sales angle and will more and more be subjects to study for the advertising manager, said Mr. Helm.

Dreher Reviews Year's Work

President R. C. Dreher reported in his address as president that the 153 company members of the conference receive over \$3,500,000,000 annually in premiums.

High light of the year, Mr. Dreher declared, was more effective cooperation between the conference and the National Board and between the conference and the National Association of Insurance Agents.

The first group meeting on national advertising was guided by Clark W. Smitheman, Camden Fire. Merchandising of their own service and material is the biggest job facing the advertising

managers of insurance companies according to Arthur D. Grose, Employers Liability. He predicted that the conference will one day put out public releases of insurance news and information rather than have this come only from individual companies. Newspapers and other news distribution centers would use more material coming from the conference than from single companies, Mr. Grose believes. An effort of the conference to distribute news would require careful coordination with existing groups, said D. C. Gibson, Maryland Casualty, and others.

Competition in Advertising

E. M. Hunt, Mutual Life of New York, named competition as one factor to be considered in any program of national advertising. By competition he referred to advertisements of other insurance companies in the same magazine as well as the advertisements of other services and products. The purpose of advertising he defined as a method of introducing the insurance company and its representatives in a favorable way to the public. National advertising should not be geared, he said, to any job of making direct sales or to the purpose of enabling the company to point definite sales from any particular advertisement. He warned against accepting national advertising as any final answer to the advertising problem of the companies.

Building Greater Acceptance

A primary purpose of the Maryland Casualty national advertising in the past five years has been to build a greater acceptance of the company, both among agents of the company itself and among insurance buyers. Half the advertisements have been on safety subjects and half on insurance coverages, according to Mr. Gibson, and C. R. Marshall, of the J. M. Mathes advertising agency, which handles Maryland Casualty advertising.

To tie up national advertising with local agents, the Northwestern Mutual Life, H. K. Schaffler of the National Board reported, provides its local agents with stickers which they may place on outside front covers of national magazines calling attention to the company's advertisement as that of the local representative. The sticker invites the reader to turn to page 10 and read the message of John Jones, the local agent. The agent then buys extra copies of the magazines, puts the stickers on them and distributes them to doctors' offices, barber shops and other local waiting rooms.

Pre-Mailing Plan Told

E. M. Hunt, Mutual Life of New York, said he furnished agents with post cards reproducing company advertising messages for pre-mailing to prospects. A tie-up booklet is left with the prospect at the time of the agents call. Each advertisement invites contact with the agent. The advertisements are planned to get selective prospecting done by the agent, one month for mortgage satisfaction, one for college education, one for young married couples, etc.

Advertising is a wedge to aid the sales process, according to Jarvis W. Mason, National Fire. The personal call is more effective if it is preceded by direct mail and magazine advertising. The whole wedge is powerful if it is correctly constructed from short edge to its broad head surface. John Ashmead, Phoenix of Hartford reported excellent results from circularizing local agents whose names are supplied by special agents desiring to make personal calls upon them for making agency appointments. The plan works when the mailing list is furnished by the special agents. The prospective agency list should include as many names as are on the present list if a company desires to maintain the number

of its present agencies, according to Earl E. Vogt, Millers National.

Arthur Fisk, Prudential, said a survey indicates that the Prudential radio program now has 100,000 listeners. The object is to get into the homes of the people through the women. Agents approve the program. They are sent a complete copy within two days after it is heard on the air. Mr. Fisk predicts the necessity of much more attention to radio and television by the insurance companies. He believes the Prudential program is on to stay.

The Travelers radio station WTIC is now used more for other advertising than for Travelers itself, reported C. W. Van Beynum, publicity manager. The company radio advertising is nearly all name and safety advertising for brief periods paid for by the company to the credit of the station. Mr. Van Beynum said there was no definite evidence to show the extent of value received by the Travelers.

Combat "Counsellors"

H. A. Richmond, Metropolitan Life, said that company's present radio advertising was on for the specific purpose of combatting the broadcasting of so-called insurance counsellors and will probably be discontinued when that purpose had been satisfied.

How fire safety programs have been developed in Hartford was described by Mr. Ashmead. Radio advertising expenditure is increasing, he said, while total national advertising expenditure is decreasing. Limitations of time will always restrict the advertising possibilities of radio. The facsimile newspaper or printed page by radio transmission, he regarded as more important than television.

At present there are only 1,000 television sets in the nation, nearly all in New York City, said Charles R. Marshall of the J. M. Mathes advertising agency. He predicted that it would be five years before television would reach

(CONTINUED ON PAGE 38)

Medical Expense Rider Readily Sold

(CONTINUED FROM PAGE 21)

that practically all of the medical expense coverage that has been sold is on the more liberal form and for the top limit of \$500 rather than the optional \$250. The more liberal form does not require that the injured persons sign releases absolving the insurance company from legal liability.

The greater popularity of the more liberal form appears to be due to the buyer's wish to fulfill his moral responsibility for those riding with him. He tends to feel that if a release must be obtained before the company will pay the injured person's medical expenses very little is gained, since in states where guest suits are not barred, the passenger might be giving up the chance of a substantial award by signing a release. Agents also have criticized the restricted form for this reason.

The premium on the restricted form is 15 percent of the basic bodily injury premium for a medical reimbursement provision of \$250 and 20 percent if the limit is \$500. On the liberal form, under which no release of liability is required, the premium is 20 and 25 percent, respectively, of the basic B. I. premium.

The Kansas City board of education is presenting, in its evening extension courses, two courses in casualty insurance, one an introductory course and the other an advanced course.

E. C. Forsythe, formerly of Chicago, has become resident engineer in Indianapolis for the American Mutual Liability.

D. R. Diffenderfer, Western Adjustment, Topeka, was married to Miss Virginia M. Iobe.

R. C. Fryal, former secretary of the Upper Peninsula State Fair, has opened an agency in Escanaba, Mich.

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Messages of Cheer Sent

BOSTON—The executive committee of the National Association of Insurance Agents sent messages of cheer to

Kenneth H. Bair, Greensburg, Pa., former national president, who is convalescing at the New York Hospital following an operation for removal of a

cyst, and Stuart Ragland of Richmond, Va., president Virginia Association of Insurance Agents, who is at his home recovering from an attack of pneumonia.

A number of agency leaders in New York City this week called at the hospital to see Mr. Bair and extend messages of cheer.

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Credit Men Told About Insurance

INDIANAPOLIS—Some 200 credit managers attended a meeting sponsored by the Indianapolis Association of Credit Men, where insurance coverages were explained by five local insurance men and questions from the floor were answered. Ross E. Coffin, Boston and Old Colony, in an opening talk, described accounts receivable insurance, use and occupancy and bonds. He explained how the plan adopted by the National Association of Credit Men at Grand Rapids last May operates to give the credit manager a line on the insurance protection of a customer to whom he wishes to extend credit.

Mr. Coffin said all that is necessary is for the credit manager to have the customer send him the name of a local agent in his town in whom he has confidence. The credit manager then contacts this agent, sending him blanks to fill out giving the desired information as to the insurance set-up of the customer. Mr. Coffin added that, when this report is received by the credit manager, any local agent he may select will be glad to explain details of the report.

War Clause Is Explained

R. M. Fox, of Fox & Fox, Indianapolis local agents, explained the war clause in the fire policy in response to a question from the floor.

Gage McCotter, secretary Grain Dealers National Mutual Fire, discussed the riot and civil commotion clause; and Ben R. Turner, Jr., manager Fidelity & Deposit, explained the progress that had been made in developing fidelity bonds from the original restricted form to the present broad form of blanket coverage which gives such satisfactory protection. Hobson Wilson, manager insurance department Union Trust Company, was given a poser question as to how much insurance remained to be written to cover outstanding credits adequately. It gave him opportunity to impress his hearers with the fact that the figure is challengingly large.

Committees Are Named for Illinois Agents Meeting

Local committees on arrangements for the annual meeting of the Illinois Association of Insurance Agents at Hotel Abraham Lincoln, Springfield, Ill., Nov. 8-9, have been appointed by the Springfield association.

Committee chairmen are: Arrangements, L. E. Head, of George Reisch Sons & Co., president Springfield association; publicity, Casper Brown, of Feffer & Brown, chairman Springfield association advisory committee; housing, Newton McVay, of Lanphier & Co., membership chairman Springfield association; reception, William Booth, of Booth & Co.; ladies entertainment, Mrs. Ross L. Weller, wife of the Illinois association regional vice-president.

Other members of the ladies committee are Mrs. L. E. Head, Mrs. Alex Connolly, Mrs. George Michael, Mrs. Newton McVay and Mrs. Benjamin Thomas, whose husband is a member of the Thomas & Campbell agency.

The entire Springfield association has been constituted as the reception committee.

No more rooms are available in the Abraham Lincoln. All future reservations, according to Lillian L. Herring, executive secretary Illinois Association, Chicago, who has been handling this

work, must be made through the chairman of the Springfield housing committee.

Ohio License Fee Situation Is Clarified by Ruling

Thomas J. Herbert, Ohio attorney-general, has notified Superintendent Lloyd that if a state other than Ohio charges an applicant for an insurance agent's license, who is to represent an Ohio insurance company authorized to do business in that state, a fee for taking an examination for such agent's license, the Ohio department should not charge a fee in the same amount, or any amount, to applicants for insurance agents' licenses in Ohio who are to represent a company or companies of such other state which are authorized to do business in Ohio. He also said that if a state other than Ohio charges an applicant for taking an examination for a solicitor's license, the same ruling applies. The auditor of state had held that by virtue of the retaliation act the insurance division should charge fees for the taking of examinations "for insurance representatives when the new applicants are applying for licenses of companies of other states which other states require the paying of a fee by every applicant to take the examination." The Ohio department has been charging no fee for taking the examinations.

Dreifus Says War Does Not Peril U. S. Policyholders

DETROIT — Agents may assure policyholders that fire policies in foreign companies are entirely safe regardless of the war and the generally upset condition in Europe, A. I. Dreifus, Woodward agency, told the Detroit Association of Insurance Agents at the September meeting. President H. W. Peacock presided. Most foreign companies are entered in New York, whose regulations protect American policyholders. Cash or securities on deposit in trust are required in sufficient amount to care for any claims that might arise on the United States business and the law also requires such companies to designate trustees to handle their assets in America under supervision of the insurance commissioner.

H. T. Stock, treasurer and instructor in the fire and general insurance courses given by Wayne University, sponsored by the association, reported classes opened last week with satisfactory registration. The text used is Mr. Stock's "Applied Fire Insurance." Waldo Hildebrand, executive secretary Michigan Association of Insurance Agents, outlined activities.

Van Vechten Nominated for Trustee

John F. Van Vechten, secretary McIntosh-Bowers-West Agency, Akron, O., has been nominated for trustee of the Ohio Association of Insurance Agents from the eighth district, to succeed E. F. Benson. The election will take place at the annual convention in Dayton this month.

General of Seattle Rallies

About 150 agents of General of Seattle from Minnesota, North and South Dakota gathered in Minneapolis Wednesday for a regional get together. About 50 will attend a similar function in Des Moines, Friday. At both sessions President H. K. Dent is giving the main address and Executive Vice-president Felix F. Kurz is conducting a round table discussion of underwriting principles and problems. In Minneapolis a

complimentary luncheon was held for Mrs. H. K. Dent, who is accompanying her husband on this middle western trip. H. P. Thurber of Chatfield, Minn., president Northwest Underwriters, Inc., is in general charge of the functions.

Spaeth Is Wichita Speaker

Dr. J. E. Spaeth of Wichita University spoke at the meeting of the Wichita Insurers on the European situation. William Studebaker, Jr., of Miller-Studebaker General Agency, Topeka, was a guest. Vice-President Elmer Beazley presided. The program for the annual meeting of the Kansas Association of Insurance Agents in Topeka Oct. 18-20 was discussed by F. T. Priest, vice-president of the state association and a member of the program committee.

Municipal Officials Hear Hodges

W. C. Hodges, manager Kansas Inspection Bureau, Topeka, spoke on "Fire Insurance Rating for Cities" at the convention of the League of Kansas Municipalities in Wichita. Charts were shown comparing the basis rates in the 10 classes of municipal fire protection, and the rate "make-up" details. The paper was followed by an open forum discussion.

State Fire Marshal Latchem discussed "Service of the State Fire Marshal" and Fire Chief H. G. Lindgren of McPherson spoke on the "Kansas Fire College" which is being held this week at the University of Kansas.

Fill First Civil Service Post

ST. PAUL—For the first time in the history of the Minnesota department a vacancy in the staff probably will be filled by a civil service examination. The probable vacancy is that of rate supervisor, although the situation is unsettled at this time.

Several weeks ago Oscar Hall, Minneapolis, resigned the post. Later he attempted to withdraw the resignation but Commissioner Yetka had accepted it and contends the incident is closed as far as he is concerned. If the resignation stands, then applicants for the place must take what is known as a qualification examination under the civil service act passed at the last session.

Position of J. W. Rodger, Jr.

J. W. Rodger, Jr., who recently joined the T. W. Garrett, Jr. general agency of Kansas City, is assistant to Charles Dunn, manager of the St. Louis office. In an earlier report the statement that Mr. Rodger is St. Louis manager was incorrect.

Toft Elected in Saginaw

SAGINAW, MICH.—John I. Toft, of the Weadock agency has been elected president of the Saginaw Association of Insurance Agents. Other new officers are: Vice-president, B. C. Schultz; treasurer, Maurice Wheeler; secretary, George J. Leidlein.

Iowa Nears 480 Mark

MASON CITY, IA.—The Iowa Association of Insurance Agents is continuing its growth under its new administration. President Harry C. Brown announced that during the first month the association has secured 10 new members to bring it near the 480 mark.

NEWS BRIEFS

M. L. Dangerfield, chief rater of the Kansas department, has returned to the office after an illness of several months.

The Kansas Inspection Bureau has made a new filing on funeral homes of the converted dwelling type which con-

Carl Laemmle, Late Film Magnate, Taught by Martin

OMAHA — Charles W. Martin, Martin Brothers & Co., taught Carl Laemmle, film magnate who just died, about the film business. Mr. Martin was one of the real movie pioneers when he first became interested in motion pictures about 1896, when a vaudeville company with a picture projector became stranded here. Mr. Martin arranged for a nickel show in a vacant store building and made enough to send the troupe home.

In 1906 Mr. Martin bought a camera and toured the midwest to take pictures to be shown at a corn exposition in Omaha. Mr. Laemmle came to Omaha to get tips from Mr. Martin, since the former had several theaters but was not in the production business.

Mr. Martin said he "just about broke even" on his movie ventures. The fact that Mr. Laemmle sold his movie interests for \$5,500,000 a few years ago leaves Mr. Martin unmoved. He prefers insurance.

tinue to be occupied jointly for dwelling and funeral home purposes, with substantial reductions on building and household contents.

Mrs. Katherine Jennings Miller, who operates the Jennings Insurance Agency at Anthony, Kan., established by her father over 50 years ago, was one of the nominees for president of the American Legion Auxiliary at the Chicago convention last week.

W. H. Price, Omaha local agent, has been named deputy state treasurer. He was state auditor for the two years ending last January. He has filed \$50,000 bond and will take charge Nov. 1.

Hubert H. Calkins, Saginaw, an expert accountant, has been added to the examining staff of the Michigan insurance department and has joined a group of examiners at work in Detroit.

Ralph H. Campbell, active in Omaha insurance circles for 17 years, has been named vice-president of the Great Western Agency.

About 30 attended a picnic of the Topeka Association of Insurance Women. Mrs. Patricia Solander, state highway department, spoke on safety. The organization will be in charge of special meetings for women at the annual convention of the Kansas Association of Insurance Agents in Topeka, Oct. 18-20.

SOUTH

Williams Answers "High Profit" Attack

JACKSON, MISS.—Commissioner Williams of Mississippi, in a letter to Mayor Scott of Jackson, has "set him straight" as to the profits fire companies are making on business written in this city.

Mayor Scott had publicly stated that "fire insurance corporations annually take about \$600,000 in net cash profits out of Jackson." Mr. Williams quoted figures to show that total premiums on business written by stock fire companies in Jackson for the last fiscal year were only \$204,800, from which all losses and other expenses had to be paid.

Commissioner Williams pointed out that under the firemen's pension tax of 1/2 of 1 percent on premiums, \$1,365 was paid into the pension fund of Jackson for the year ending June 30, 1938, which indicates that the total premiums

income of all stock fire companies on protected property in Jackson was \$273,140.

"In June, 1938, certain rate decreases took effect, both through a blanket reduction and in various scheduled changes, with the result that from July 1, 1938, to June 30, 1939, \$1,024 was collected in taxes, indicating a total premium income of all stock fire insurance companies on protected property of \$204,800," he says.

"When it is taken into consideration that field supervision, home office administration, state taxes and fees, local agents' commissions and various other items of expense have to be deducted, (incidentally, Mississippi's expense ratio is lower than any state that I know of) the companies would have left only 56 percent of the above mentioned amounts out of which to pay losses and to make any profit. You can readily see therefore, that, if the companies had no losses in the city of Jackson whatever,

their profits could not have been as much as 25 percent of the figure used by you."

Plan N. C. Regionals in November

The North Carolina Association of Insurance Agents will hold a group of regional meetings in November, with varied topics of interest to local agents, company officials and field men. Dates and cities selected are: District No. 1, Elizabeth City, N. C., Nov. 13; No. 2, Wilmington, N. C., Nov. 16; No. 3, Goldsboro, N. C., Nov. 15; No. 4, Wilson, N. C., Nov. 14; No. 5, Greensboro, N. C., Nov. 17; No. 6, Charlotte, N. C., Nov. 21; No. 7, Winston-Salem, N. C., Nov. 20, and No. 8, Asheville, N. C., Nov. 22.

The second insurance school will be held at the University of North Carolina, Chapel Hill, N. C., the week of

March 18, 1940. Directors announced the 1940 convention will be held at Winston-Salem, N. C., April 28-30.

No Ruling on Assessability

Objection is taken to the implication that an official ruling had been handed down in an article recording the fact that a report had been given to the Dallas Insurance Agents Association asserting the opinion that under the Texas law non-assessable policies of mutual companies are assessable, despite the contract provision. The headline read: "All Mutual Policies Are Held Assessable in Texas." A ruling has not been issued. This was merely an expression of an opinion contained in a report to the Dallas agents association.

Educational Sales Plan Helpful

Continuing the educational sales campaign which has made much headway since its adoption several months ago, the following topics have been chosen for discussion by North Carolina agents and field men in October: Fire—business interruption and profits insurance for mercantiles; casualty—heating boilers, general lines of owners, landlords and tenants liability, and elevator liability. Reports indicate agents who have actively supported the campaign are receiving reward by new business and the increased premium volume.

Houston Building Rates Cut Again

Again tornado and hail insurance rates on office buildings of superior construction in Houston, Tex., have been revised downward.

The state's official rate not long ago for such coverage in the seacoast zone was 15 cents with 50 percent coinsurance. Then a company filed a deviation of 10 cents on superior Houston office buildings with 50 percent coinsurance and \$1,000 deductible. The state followed with a reduction which made the established rate 9 cents with 50 percent coinsurance but no deductible.

Now at least two companies which usually operate on a non-affiliated basis have filed rates on these office buildings of 6 cents with 50 percent coinsurance and \$1,000 deductible.

Protest Mobile School Line Award

MOBILE, ALA.—Over the protest of the Mobile Board, the Mobile county school board has awarded one-tenth of its \$664,000 in insurance which expired Oct. 1 to the W. K. P. Wilson & Sons agency in consideration of the work of Beverly Wilson, member of the firm, in getting rates reduced by \$1,375. The city recently did likewise. The remainder of the business will be distributed equally among agents by the Mobile Board. Frank Bains, president Stone-wall Insurance Company, was spokesman for the board.

Wilson had asked for one-tenth of similar schedules which will come up for placing in 1940 and in 1941 but this was denied. He also was denied a pro rata

share of the business over and above the one-tenth allotted him for his rate work.

Divide Alabama State Business

MONTGOMERY, ALA.—Fire and tornado insurance of \$15,947,930 of Alabama state buildings was placed with 167 agents throughout the state. The three-year premium was \$119,322. The state carries in all \$45,000,000 of insurance, but the remainder is placed in the state fund.

Finance Director Forsyth said Sylvain Baum of Montgomery and Paul Nuckols of Fayette each received \$318,958 of business with premiums of \$2,386. Thirty-one agents received \$159,479 each with premiums of \$1,193 and the remaining 134 \$79,739 with premiums of \$596.

Ask Chattanooga Improvements

CHATTANOOGA, TENN.—Additional fire hydrants and an adequate fire alarm system are among the improvements recommended for Chattanooga by the National Board before the city can go into Class 2.

Recently Chattanooga was advanced from Class 4 to Class 3 resulting in a premium reduction of \$175,000 in annual premiums.

Fire Commissioner Bryan estimated that the new fire alarm system would cost the city approximately \$250,000.

New Agency in New Orleans

NEW ORLEANS—The Underwriters General Agency has been formed in New Orleans by Louis Lob and J. H. Bodenheimer. Mr. Bodenheimer is president of the local agency of J. H. Bodenheimer & Son, while Mr. Lob is head of the Lob Insurance Agency. The new firm has been appointed general agent of Firemen's Underwriters.

South Carolina Investigation

The governor of South Carolina has intimated that he will have appointed a commission to investigate the fire insurance rates in the state, feeling that it is entitled to a reduction on the five-year record. He declares that under the law he has a certain amount of authority over rates. He is entitled to appoint one of the investigating commission, the insurance commissioner one and the manager of the South Carolina Rating Bureau one.

Guy Lair Succeeds Cullen

Guy Lair has been advanced to general supervisor of the Texas Insurance Checking Office as successor to William Cullen, Jr., who recently joined Hines Brothers as special agent.

NEWS BRIEFS

W. E. DeLamar, local agent at Henderson, Tex., has received an engraved gold wrist watch from the Fidelity-Phoenix, in recognition of 25 years rep-



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resentation. W. H. Hunter, Dallas special agent, made the presentation.

In an effort to carry the benefits of Fire Prevention Week to farm homes and farm property, the **Springfield, Tenn.**, "News-Herald" is publishing a blank form which, when filled out, will constitute a rural property survey of fire hazards, etc.

The **Nashville Association of Insurance Women** celebrated its 16th anniversary

at a luncheon meeting on September 27. Mrs. Richard Allen, who presided, introduced many past presidents. The annual bridge tea will be held Oct. 21. Thirty-eight members attended the anniversary meeting.

The annual inspection of Montgomery county school buildings is being made by the newly organized **Clarksville (Tenn.) Insurance Exchange**, assisted by about 15 special agents.

PACIFIC COAST AND MOUNTAIN

"Ham and Eggs" Tax Menace Explained

SAN FRANCISCO — Adoption of the "Thirty-Thursdays" or "ham and eggs" pension scheme will seriously affect the tax problem for insurance companies, according to an opinion given by Percy V. Long, former counsel for the National Board, at the request of the "Insurance Committee Against Thirty-Thursdays," of which C. R. Page, president Fireman's Fund, is chairman. His opinion says that the taxation provisions of the proposition "are inartificially drawn, and that no intelligible effort has been made to correlate them to the existing tax structure of California. It must necessarily follow that, should this proposition receive a majority vote at the polls, the entire tax structure of this state would be thrown thereby into a condition of the utmost confusion.

"The resultant situation in which insurance companies would find themselves would be only a part of the fiscal chaos applying equally to all business units attempting thereafter to do business in California.

"It is obvious, of course, that under its provisions the taxes to be paid by

insurance companies would be substantially increased. The extent of the increase is of necessity doubtful. It is not beyond probability that insurance companies would, upon passage of the proposition be subjected not only to the present gross income premium tax but in addition to a 3 percent gross income tax, and (by the implied repeal of the present 'in lieu' clause) to the net income tax imposed by the bank and corporation franchise tax act, as well as numerous other license and property taxes."

A series of meetings to inform all employees of fire and casualty companies of the provisions of the proposition is being held daily until all insurance company employees have attended and received sufficient information to explain the unprecedented scope of the proposal intelligently to their families and friends.

Oregon Fire Loss Is Reduced

PORTLAND, ORE. — Fire loss on insured Oregon properties in 1938 was reduced, being \$2,554,639, or about \$2.50 per capita, Commissioner Earle, who is fire marshal, reported. There were 42 lives lost and 128 persons injured in Oregon fires last year. Fire departments, he said, were better equipped and better trained, responding to 23 percent more

alarms in the year and saving an average of \$97.72 of each \$100 of value involved in fires.

Push Rural Fire Protection

PORTLAND, ORE. — Commissioner Earle reports more than a score of rural fire protection districts are in the process of formation under the new rural fire protection law.

Directors may levy up to 4 mills on the assessed valuation of the property within the district and, with the approval of the majority of the legal voters in a special election, an additional 10 mills. Indebtedness of a district is limited to 5 percent of the assessed valuation for state and county purposes.

Adequate provision for financing of rural fire protection districts, Mr. Earle said, is operating to improve protection in many small Oregon towns as well as in the rural areas.

Records of the department show that the fire losses in unprotected areas in Oregon, not including forest fires, have exceeded 40 percent of the annual total fire loss of the state.

Oregon Commissioner Predictions

PORTLAND, ORE. — Appointment of Lloyd R. Smith, president of the Campbell, Smith & Goodman agency of Portland, as state corporation commissioner brought predictions that an up-state man, probably from southern Oregon, would be named to succeed Hugh H. Earle as insurance commissioner. It is expected that Governor Sprague will delay filling the post until after he has appointed a new state superintendent of banks.

Earl Yumy of Medford has the backing of several insurance groups and the reported opposition of others. Also backed for the post are two Portland men: D. R. Atkinson and Kenneth S. Reed. Mr. Atkinson, superintendent of the Phil Grossmayer Co. general agency, has been seriously ill in a Portland hospital for the past two weeks.

Arizona Agents Meeting

The Arizona Association of Insurance Agents will hold its annual meeting Oct. 27, at the Pioneer Hotel, Tucson. The convention committee is composed of H. G. Wilson, chairman, Al Gibson and Roy Confer, all Tucson agents. Secretary J. C. Miller of the association went to Tucson to confer with the local agents there. V. M. Haldiman of Phoenix is president. H. R. Talmage of Tucson is national councillor.

Dunham Is Portland Speaker

PORTLAND, ORE. — At the monthly meeting of the Portland Insurance Exchange W. A. Dunham, assistant manager in charge of fire insurance for Swett & Crawford, discussed "Fringe of Insurance," that phase of coverage which seeks to bridge all gaps in the insurance program.

Mrs. Pauline R. McCarthy of the T. J. Swivel Company presided in the absence of Fred R. Brennan, president. Victor Taylor, chief underwriter for Bates, Liveley & Pearson, will speak at the next meeting.

Neslen Reports on Utah Year

American stock fire companies collected \$1,831,017 premiums and paid \$914,972 losses in Utah for the fiscal year, Commissioner C. C. Neslen stated in his annual report. British fire companies collected \$177,586 and paid \$47,106 net losses; reciprocals \$252,615 and \$102,932, respectively; casualty companies, including reciprocals, \$2,052,897 and \$643,946, respectively. Premium tax collections totaled \$374,839, license and registration fees \$32,469. Department operating expense was \$8,154. There were 323 out-of-state companies and 22 domestic in operation there.

Beech Heads Insurance Society

SEATTLE — The Insurance Society of Washington elected R. J. Beech, General of Seattle, to succeed



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Linus A. Pearson, Northern Life, as president; Robert Hutchman, Northwestern Mutual Fire, and J. B. Moorehouse, United Pacific, vice-presidents; Carol Hinckley, secretary-treasurer.

Gould & Gould Get American Home

SEATTLE—Gould & Gould, general agents, have been appointed to represent American Home Fire in Washington, Oregon and Alaska.

Gascoigne in Auto Accident

PORTLAND, ORE.—W. H. Gascoigne, agency superintendent of Bal-four-Guthrie Company, is confined to Columbus hospital as the result of an automobile accident near Chehalis.

NEWS BRIEFS

Transamerica Corporation and its subsidiary, the Occidental Life, have acquired the National Insurance Agency of Phoenix, Ariz., which represents a number of companies in that state. Lester Curtis is manager of the agency.

The Insurance Girls Service Club of Los Angeles has been reincorporated as the Insurance Girls Service Club of California so that it might grant charters to chapters in Long Beach, San Diego, Phoenix, Ariz., and other places which may organize, with the Los Angeles club as the parent body.

C. L. Barsotti, Pacific coast manager of Fire Association at San Francisco, spent his vacation in Spokane and the Inland Empire, accompanied by Guy Hendreen, special agent. He is recuperating from a badly sprained ankle.

The Pierce County Insurance Agents, Tacoma, Wash., heard Earl F. Campbell, manager Seattle Traffic & Safety Council, on "Streamlining Traffic Safety."

EAST

New Hampshire Program Given

The program is announced for the annual meeting of the New Hampshire Association of Insurance Agents and the New Hampshire Insurance Women's League at Manchester next Tuesday. The executive committee will meet in the morning and the Women's League will also have a session at that time. The Women's League will have a luncheon meeting with Sidney Smith of Gainesville, Ga., as guest speaker. It is anticipated that by that time Mr. Smith will be the new president of the National Association of Insurance Agents.

Mr. Smith will also address the association meeting in the afternoon. Another speaker at that time will be John F. Griffin, commissioner of motor vehicles.

There will be a joint banquet with Commissioner Rouillard of New Hampshire and C. P. Quimby, principal of Cushing Academy, as the speakers.

Boston Brokers Slate Is Headed by Moore

BOSTON — The nominating committee of the Massachusetts Association of Insurance Brokers submitted the fol-

lowing slate of new officers to be voted on at the annual meeting in October at a date to be determined later:

President, H. E. Moore, of Moore, Olive & Co.; secretary-treasurer, H. F. Bowen; vice-presidents, H. D. Broderic, Albert Cross, T. R. Sullivan, C. J. A. Wilson and H. L. Wood; executive council: to fill unexpired terms—S. B. Ames, replacing T. S. Ashley, deceased, and G. M. Neily, replacing Collins Graham, resigned; for three year terms—L. H. Dowse, J. W. Knapp, E. S. Litchfield, R. E. Stone, and J. W. Watson.

Members of the executive council who hold over are Paul Burrage, F. S. Chapman, A. D. Cronin, H. E. Frost, M. B. Helfant, E. M. Peters, A. W. Poole and H. P. Williams.

Busy Season in Rochester

The schedule of Friday noon round table meetings under the auspices of the educational committee of the Underwriters Board of Rochester, N. Y., for the fall season is announced. This Friday a representative of the Better Business Bureau will speak on "Insurance Rackets." Oct. 13, Fred W. Townsend, president of the board, will give a report on the National association meeting in Boston; Oct. 20, Frank Trainor, vice-president W. H. McGee & Co. of New York City, will speak on "Ocean Marine and War Risk Insurance"; Oct. 27, M. D. Lewis, manager Retail Credit Company, will speak; Nov. 3, Attorney John J. Reilly will be the speaker; Nov. 10, A. J. Lochte, manager U. S. F. & G., will talk on "Inspection and Follow Up of Fiduciary and Public Official Bonds," and Nov. 17, there will be a speaker on engineering and inspection problems. Commencing Thursday of this week the board is sponsoring an insurance class on Friday afternoons. Various casualty topics will be covered.

P-W Setting to Be Improved

A very old building across the street and southwest of the building of the Providence Washington in Providence, is now being torn down and a handsome new structure will soon go up to house an auditorium for the Rhode Island School of Design, a private school. This school owns much of the land in the block where the Providence Washington is now located. Across the street and southwest of the Providence Washington building the original old market place of early Providence is being restored to its original appearance and lines. These two new buildings will greatly improve the appearance in this square.

Honor Tiernon's 35 Years

BUFFALO—John L. Tiernon, Jr., was honored at a dinner commemorating his completion of 35 years as president of the Tiernon & Co. agency, which he founded in 1904.

Mr. Tiernon, now 66, came to Buffalo in 1896 and got a job as a clerk in a law firm. He became managing clerk soon after and held that position in 1901. Later he joined the Travelers. When he formed his own agency he had one employee—a stenographer. Now he has 19.

The Roy Farrell agency and the Sherill Insurance Agency, Vernon, Tex., have consolidated under the name of the former.

CANADIAN

Program Announced of Ontario Agents

TORONTO — The program was announced for the annual convention of the Ontario Fire & Casualty Insurance Agents Association at the Royal York here Oct. 19-20. Charles Priestman, secretary, stated major discussions will deal with fire and allied insurance, but foreign developments, especially as affecting fire and casualty business at home, will be viewed.

Capt. Rev. Norman Rawson, Hamilton, Ont., will discuss the "International View" at a luncheon the first day. The banquet will be held that evening, in charge of the Blue Goose. Luncheon speaker the second day will be Col. S. W. Band, manager and director United States Fidelity & Guaranty, vice-president Fidelity of Canada and president Canadian Underwriters Association.

Business sessions will be addressed by W. J. Scott, fire marshal of Ontario, and J. P. Bickell, Ontario registrar of motor vehicles. Committee reports by chairmen will include: Membership extension, W. H. Shaver; agents qualification, Ian Dowling; fire prevention, T. Clendennan, and automobile standard forms, Rae Blight.

Laidlaw, Beattie Appointed

D. L. Laidlaw was appointed assistant manager of the Canadian General and Toronto General and will devote his time to fire prevention. He formerly was assistant manager of the group for Ontario and Toronto inspector. A. J. Beattie, formerly inspector, was appointed assistant casualty manager for Ontario.

Seeks to Expand Charter

The Royal Plate Glass & General of Canada gave notice that it would apply to the British Columbia government at the next session of the legislature for amendment to its charter to permit writing burglary, theft and larceny.

Insurance Men to Colors

VANCOUVER, B. C.—Among insurance men here called to the colors are Lt. Col. G. Y. L. Crossley of Crossley Insurance Company; Maj. C. C. Ferris, operating his own agency, and Lt. W. J. Farnsworth, insurance manager for Adams & Co.

Reginald Long Retires

Reginald Long, special agent Aetna Fire in British Columbia, has been retired to the "reserve force." For 23 years he served the Commercial Union and was six years with Northwest Fire Underwriters. He is succeeded by G. L. Pratt, formerly of Winnipeg.

Henderson Alberta Deputy

R. D. Henderson, assistant registrar of companies for the province of Alberta, was appointed deputy superintendent of insurance in place of R. R. Moore, who is now acting manager of the Alberta government fire insurance office and fire commissioner.

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MOTOR

Fix Responsibility for Auto Arson Investigations

An agreement has been reached whereunder arson investigations in connection with automobile fires will be handled by the various company agencies that have been investigating automobile thefts, instead of by the arson investigation division of the National Board. A conference was held in New York recently on the subject and an agreeable division of work was decided upon. The number of suspicious automobile fires is reported to be increasing, particularly in the south and southwest. An increasing number of second hand cars, purchased under contract, are being destroyed by fire. The incident usually occurs on a deserted country road.

GEIC Affiliate to Write at Tariff Rates

Motors Insurance Corporation, which is being organized in New York by interests identified with General Exchange Insurance Corporation, will start with \$500,000 capital and \$1,500,000 net surplus. Its operations will be confined to writing automobile insurance. Motors Insurance Corporation will operate in certain states, writing at tariff rates, where certain requirements conflict with the plan of operation of General Exchange, which writes at a deviation of about 20 percent.

Act Against Small Loan Firms in Bay State

The Massachusetts attorney-general has brought complaints against more than 30 small loan companies on the charge of placing automobile insurance with companies that are not authorized in the state. The complaints have been filed with the state banking commissioner and supervisor of small loan agencies.

Among the complaints of the attorney-general is that these small loan agencies make arrangements with automobile

dealers whereunder the dealer is permitted to charge the car buyer what the traffic will bear in the way of interest, insurance and finance charges. Thirty-two small loan companies, according to the complaint, furnished the dealers with cards of three colors giving the financing charge exhibit. The customer is first handed the card showing the highest rate. If he demurs he is shown the intermediate rate and if he persists in his objection, he is given the lowest rate. According to the complaint, when the buyer pays the higher rate, the finance company "kicks back some of its unconscionable profits to the unscrupulous dealer."

MARINE

Inland Marine Is Now Established

A. J. Huneke, manager inland marine department Eagle Star, told the agents gathered at Boston for the National Association of Insurance Agents' convention that inland marine insurance has now definitely passed from its earlier, undeveloped stage to one that is firmly established on a mature basis. He said:

"A few years ago the average local agent looked upon inland marine as a sideline to his fire and casualty business. Today he realizes that this class of business is too important for him to ignore. He has learned also that an increase in the production of inland marine lines swells his commission income."

Mr. Huneke pointed out that inland marine as a specific class of business offers unrivaled opportunities for immediate, intensive development. The premium income has increased about 25 percent over the past five years and now approximates about 10 percent of the total fire insurance income. However, he emphasized the matter of increased income in this field depends entirely upon the ability of the agent.

Mr. Huneke said that if an agent carefully analyzed only one or two inland marine forms each week and followed this up with a thorough discussion of them with one of the inland marine special agents visiting his office, he would, in a short time, acquire a vastly increased knowledge of this subject.

Osborn Discusses Inland Progress

Recent and prospective developments affecting inland marine insurance were discussed by T. L. Osborn, Jr., inland marine manager, National Retailers Mutual, Chicago, before the Federation of Mutual Fire Insurance companies.

Noting the ever increasing demand for the personal property floater and the tendency towards general acceptance of the form, Mr. Osborn predicted that more states would permit issuance of the personal property floater including the eastern and New England states.

He said that further state regulation with resulting stabilization of the inland marine business is almost inevitable. Many state departments are apparently anxious to maintain their present tax income and are asking that fire and windstorm rates and premiums show all personal property floater daily reports. This provides that the audit bureaus with fire and windstorm premiums for tax purposes which otherwise might not be available.

Mr. Osborn said that a more comprehensive knowledge of inland marine lines on the part of agents is certain. A marked increase in interest is shown by all agents, particularly with reference to educational material.

Resents Appeal to Commissioners

The joint committee on interpretation and complaint has adopted a resolution

expressing condemnation of any company that aids or assists in requesting or soliciting any insurance commissioner to rule on any question that is within the jurisdiction of the joint committee. The proper avenue of appeal is to the committee for the definition and interpretation of underwriting powers of the National Association of Insurance Commissioners, according to the resolution.

Keynote Is Sounded by Bennett

(CONTINUED FROM PAGE 6)

conditions prevail with respect to one that is not open to the other.

He referred to non-admitted companies, saying that a discussion arose at one of the state conventions about placing certain insurance risks in these unlicensed organizations. It was claimed that licensed companies would not take a risk written in one policy and at the rate desired. The attorney general gave an opinion that such an act would not be legal so long as there were sufficient companies admitted to do business in the state which would write the amount of insurance desired no matter how many policies had to be written. He said that because an assured could get cheaper insurance from an unlicensed institution was no reason for placing it in that company.

He said that another new adventure in Washington has been launched by general counsel of the secretary of treasury and the attorney general with reference to insurance companies authorized to qualify as sole corporate surety on bonds and other undertakings required by the laws. Under the law a company must deposit with the secretary of treasury a copy of its charter and a sworn financial statement. If the secretary is satisfied that the company has authority to write bonds and has a paid up capital of \$250,000 and is able to perform its contracts it can be granted authority to do business under the act. The attorney general in 1923 delivered an opinion holding that a mutual company, because it had no capital stock cannot qualify. The present attorney general over ruled that former opinion, Mr. Bennett said, on the theory that Congress did not mean what it said but that any kind of a company which has the required free amount in its treasury can qualify.

Branch Office Issue

Then Mr. Bennett touched on the old subject of branch offices. He said that the point had been made by the association over the years is that production branch offices are more expensive in their operation than the agency system. He said it was difficult for the National association people to understand how a branch office could pay to its non-policy writing agents the going local agency commission and then add the operating cost of the office itself, including the preparation and writing of policies together with an operating expense comparable to that which an agent must maintain, and not have the total cost to the companies exceed that of the going commission paid agents. He said that the association has never been able to produce the proof of this because of its

inability to have access to company records.

He referred to Director Palmer of Illinois declaring that it cost more to produce fire, tornado and extended coverage through Cook county branch offices than through the Chicago metropolitan supervising agents. He said that Mr. Palmer's illuminating report on production cost embracing analytical statistical tables is a revealing and convincing document. The average agency production cost was 20.78 percent and the branch office 24.9 per cent. The National association, he said, has no right to suggest to a company how it should operate its business. He said, however, that the organization claims that it is unfair and inconsistent for any company to operate on two systems, one in direct competition with the other.

Collateral Lines

When automobile insurance got thoroughly under way, automobile departments were established, turned loose, and told to develop healthy premium incomes. The result was, Mr. Bennett said, that this branch broke away from established practices and became a law unto itself. Automobile insurance became mixed up with finance business. Misunderstandings and grief have followed. Mr. Bennett said, "That's why we ask, is the old established business of fire insurance really one business or has it been broken down?" He referred to inland marine, declaring itself to be a separate and independent state. The trend toward departmental breakdown of the business, he said, has been noted by far-sighted company executives and must cause some of them concern.

Today, Mr. Bennett said, "People witness the strange anomaly of one department of a company taking business away from another by reason of the preferred status occupied by inland marine. If these adventures are to be extended into a general practice and competition will likely do that," Mr. Bennett asked, "what becomes of the proposed regulatory laws of the state which seek to control and maintain uniform rates?"

Mr. Bennett is unwilling to concede that inland marine is still an unsolved mystery. Worth while agents, he said, understand the business reasonably well and sometimes better than special agents. When inland marine includes fire, burglary and other really insured hazards as to specific location, he said it should be willing to conform to the ordinary regulations governing the writing of these hazards by companies generally.

Mr. Bennett said that if the rapid development of inland marine is tending toward the breakdown of rates, rules and regulations of the state, of the companies and local boards, then it resolves itself into a question that should invite the serious attention of those students of the business who want this great institution of insurance preserved unimpaired.

Mr. Bennett referred to the educational program that the National Association of Insurance Agents is determined to put into effect, the National Board of Insurance Education. He said that to continue the constructive work of the association and to accomplish future objectives requires the utmost in intelligent direction, conservative leadership and untiring energy. Coupled with that must go a united membership.

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Report Good Membership Showing

(CONTINUED FROM PAGE 3)

of income and disbursements, summary and account of assets on hand, a comparison of the operating costs of the National association for the past year with the cost 10 years ago and an analysis and breakdown of the operating expenses of 40 trade associations, compared with that of the National association.

Reasons for Higher Costs

Expenditures for the last fiscal year were \$150,690, Mr. Stults reported. This represented an increase of \$8,777 over the preceding year. The increase was caused by demands of state associations to have a National association representative present at their annual conventions, an additional meeting of the national executive committee last January to deal with emergency matters, emergency federal work at Washington and the additional expense of two more members of the executive committee.

Among the more important items of expense were \$32,767 for general salaries and office help, \$32,355 for salaries of the American Agency Bulletin; Washington office, including salaries, equipment, travel and allocated office expenses, \$8,397; general traveling expenses, \$9,281; annual convention, \$3,884; Hollywood mid-year convention, \$3,611; stenographic expenses of president and committee, \$2,200, and printing and mailing expenses of "American Agency Bulletin," \$39,959. Federal and state social security and unemployment taxes amounted to over \$3,000.

Major Income Sources

The major items of receipts were \$74,783 for allocated state dues, \$4,000 for registration fees in the St. Paul convention, \$2,000 for the mid-year convention and \$57,781 for advertising in the "American Agency Bulletin." The Ohio association paid \$750 on its note. Cash on hand was \$34,329.

In comparison of present with past National association expenses, Mr. Stults pointed out that the staff of the National association numbered 11 in 1929 and today is 18, with an average increase of wages and salaries of \$2,612 annually. Allocated dues, however, were \$843 less than in 1929. In 1929 "American Agency Bulletin" advertising and subscriptions accounted for \$57,094 and last year the total was \$59,270. Printing expenses of the house organ decreased from \$49,551 in 1929 to \$39,860 last year.

In comparison with 40 other trade associations, Mr. Stults pointed out that the National association is expending 43.2 percent of its income for salaries, whereas the average is 51.2 percent. All other items, such as rent, traveling, legal fees other than staff, printing and miscellaneous expenses occupy a smaller proportion of the National association's income than that of other associations, the difference being in periodical printing costs, maintenance of the Washington office and conventions.

LEGISLATIVE

The most important legislation affecting insurance passed by Congress in the last session was the revised social security act, Presley D. Bowen, Baltimore, chairman legislative committee, reported. Other legislation which the committee followed closely, but which did not pass, involved the United States housing act, crop insurance, service of process on insurance companies, public contracts, the motor carrier act, marine war risk insurance and use of the mails.

The amendment to the social security act passed the house without the agents having an opportunity to appear to preserve their status of independent contractor. Hearings were held, however, before the senate finance committee and at that time Assistant Counsel W. T. Reed appeared for the National association and the bill was amended to exempt

specifically all insurance agents and solicitors compensated on a commission basis. The amendment was retained by the house and this marked a notable victory for the National association.

Fight Unauthorized Carriers

An attempt was made to introduce an amendment to the appropriation bill for the United States Housing Authority, requiring that insurance on property under the jurisdiction of this body must be in carriers licensed in the state or states where the particular project is situated. Congress adjourned before action was taken on this amendment, but Mr. Bowen said that it will be revived in the next session and the committee will follow it. The only bill affecting crop insurance which passed was that of Senator Wheeler, which directed the secretary of agriculture to make advances to producers for assisting them to insure their crops with the Federal Crop Insurance Corporation. Other measures intended to spread the activities of FCIC to commodities other than wheat were unsuccessful.

Congressman Holmes' proposed amendment to the motor carrier act, which would have permitted carrying of insurance by motor carriers in companies licensed only in the state of their domicile, provided they would appoint attorneys in fact in all jurisdictions in which the carriers operate, failed of passage. No action was taken on a bill to provide government war risk marine insurance and also on a bill requiring insurance companies to designate agents for service of process in all states in which they do business. Legislation which would create a federal contract and surety commission remained in the senate judiciary committee. The bill to deny use of the mails to insurance companies operating in violation of state insurance laws, which has been repeatedly sponsored by the National association, is still pending.

FIRE POLICY

An important milestone in the long and tedious path to adoption of a new standard fire policy was reported this year by Lyman M. Drake, Chicago, chairman committee on standard fire policy revision. After three years of consultation, discussion, drafts and redrafts, the National Association of Insurance Commissioners at the San Francisco meeting in June approved the revised form submitted by Superintendent L. H. Pink, New York, chairman of the commissioners committee of this subject. The next important step is to get the policy approved in the various states. It is believed that the New York insurance code, which goes into effect Jan. 1, 1940, gives the superintendent authority to adopt the new policy. If it should develop that Mr. Pink does not have this power, Mr. Drake said he intends to ask the legislature for it, intending to allow a reasonable time before it goes into effect, so that the companies may prepare for its use. Mr. Drake asked the agents and the associations in other states to determine the requirements of their respective laws and take whatever measures are necessary to get the new policy into use.

Mr. Drake described the important changes in the proposed new policy from the present or 1918 edition of the New York standard form. The insuring clause includes lightning, explosion, smudge and smoke. Destruction by order of civil authority to prevent spread of a fire is included and the exclusion of fire caused by riot or civil commotion is removed. The clauses denying liability in the event the interest of the assured is not unconditional and sole ownership, the building is on leased ground or foreclosure proceedings are commenced have been removed and the assured collects as his interest may appear. Anti-

quoted language in the explosion clause has been removed and the policy is not suspended because of an increase in hazard unless the increase contributes to the loss. The time permitted for repairs and alterations has been increased to 60 days, the permissible period of shutdown for factories is extended to 30 days, the vacancy permit has been increased to 30 days and provisions regarding unoccupancy are eliminated. The prohibition against factories working at night has been removed and a new clause regarding other insurance replaces the old prohibition of other protection. Permission is granted for endorsements covering other perils permitted by statute, such as the extended coverage endorsement. The appraisal and subrogation clauses have been changed and the fallen building clause and the chattel mortgage clauses have been eliminated.

Mr. Drake closed his report with a reminder that adoption of the new policy at existing rates would be the equivalent to a rate reduction. He asked that state associations be urged to aim at having the policy adopted without any rate reduction until sufficient experience has developed.

RURAL AGENTS

Continued activity, both in Washington and in the field, was reported by R. W. Forshay, Anita, Ia., chairman rural agents committee. While the defeat of the proposed self-insurance plan for corn pledged under Commodity Credit Corporation loans was the most publicized event of the year, the continued increase in membership from rural centers was extremely noteworthy and Mr. Forshay maintained that the bulk of future National association increases must come from smaller centers.

The administration at Washington is continuing to create problems for the local stock insurance agent. The Farm Security Administration sponsored a mutual company in Mississippi to sell all risk insurance on live stock, disregarding the offer of a long established, tax paying, stock company to handle the business at comparable rates and on a less confusing basis. The Federal Crop Insurance Corporation has cut materially into the incomes of rural agents. Its financial success is not as yet determined because losses are not entirely closed and they have been quite extensive. Late in July, Mr. Forshay said, the corporation announced that, of the 166,751 contracts issued, premiums were paid involving 6,714,074 bushels of wheat or its cash equivalent, mostly in cash, to apply on 7,638,157 acres. At the same date, 5,862 claims had been filed, involving loss payments estimated at 1,607,000 bushels of wheat or the cash equivalent.

Farm Tenant Purchase Situation

A number of agents have lost business to a group of non-stock companies who ordinarily are not farm writers on farm properties insured under the Farm Tenant Purchase division and Mr. Forshay said that unconfirmed rumors indicated that the business had not proved desirable and on June 30 the Farm Security was notified that the master contract would be terminated at the end of 1939. Negotiations are going on, Mr. Forshay said, and while no definite statement can be made at present, he hoped that the business would be returned to local agents and that proper underwriting principles would prevail.

Mr. Forshay said that the rural market for new business does not appear to be as widespread as was once thought. In a survey conducted in eight middle western states, covering over 7,200 farm homes, it was found that nearly 75 percent of the farmers carried some sort of life insurance, one-third had accident insurance, nearly 90 percent insured their buildings and over 50 percent carried automobile insurance. This means, Mr. Forshay said, that rural agents should maintain a rigid defense of their business by affiliating with their own trade association.

Rural agent forums were pioneered by the New Jersey association and have

proved very successful. Other states, particularly South Carolina, have also taken up this work and Mr. Forshay urged that all educational courses include subject matter which appeals to rural agents.

Fire prevention on farms and in rural communities is continuing to receive attention of the rural agents committee. Valuable material has been distributed and Mr. Forshay urged rural agents to interest themselves in the continued development and improvement of the rural fire protection equipment in their respective communities.

An important problem before the rural agents committee, Mr. Forshay maintained, is the continued promiscuous appointment of unqualified rural agents. Organized action on the part of agents is essential if this is to be checked. The united response of agents, companies and all other persons interested in stock fire insurance to the appeal for support against the corn loan self-insurance plan indicates what can be done in this regard.

PUBLICITY, EDUCATION

Over 2,000 students of insurance have benefited from one or more of the various educational activities conducted by state associations and local boards, L. P. McCord, Jacksonville, Fla., chairman publicity and education committee, reported. He noted that the trend toward adult education has embraced almost all trade, professional and business groups and the insurance business is no exception. Insurance magazines are devoting a large proportion of their contents to educational matters and the programs of state and national conventions are now largely of an educational nature.

The exact nature of the educational activities undertaken by different units varies considerably and Mr. McCord expressed the opinion that so many factors are involved that it is impossible to set up a conclusive standard. The size of the individual state and its population, number and location of agents, interest and judgment of the officers and other matters must all be taken into consideration. There have been brief, intensive periods of training, ranging from one day clinics and institutes to four day short course schools. Local boards have arranged with universities to conduct extension courses and some state associations have arranged with state universities for courses in insurance extending throughout a full school term, while other associations have offered correspondence courses.

Recommends Short Courses

On the whole, Mr. McCord said that of all the plans tried up to the present, the most satisfactory, popular and successful one, although not the most thorough, has been the holding of a short course school in cooperation with a university for three and a half to four days.

As an illustration of the high character of the educational work these courses and the interest and aptitude of those attending them, Mr. McCord cited an experiment at one short course school. "True and false" tests in three subjects were given before the subjects were discussed by qualified speakers and repeated after the lectures. Out of over 400 comparisons, there was an average improvement of 25 points in the second sets of papers. The average grade in the tests before the lectures was 62 percent and the same tests after the talks the average was 87 percent.

Possibility of Federal Aid

Mr. McCord said that in May his committee advised the state associations that under the Smith-Hughes law of 1917 and the George-Dean act of 1936 there is located in each state a supervisor of trade and industrial education and in some states a supervisor of distributive education. These officials are charged with advising any group interested in adult education and in rendering some financial assistance, provided the school can meet the required standards. This assistance, Mr. McCord said,

is available and he urged all interested associations to get in touch with the committee on education for further information.

Systematic programs of advertising in local papers have been carried on by many local boards, Mr. McCord concluded. He urged continuance of efforts toward educating the public to the advantages of stock insurance, saying that it has been overlooked for too long and should go hand in hand with the program of educating agents and their employees.

FIRE PREVENTION

L. W. Garlich, St. Joseph, Mo., chairman fire prevention committee, reported extensive and successful activity among rural agents and announced that efforts are being made to stimulate aggressive action on the part of agents in cities. In cooperation with the rural agents committee, the fire prevention committee released a rural program which has been distributed to all agents in this class and state officers and chairmen are being asked to cooperate in this work.

Last August, the fire prevention committee released a bulletin calling the at-

tention of state officers to the decrease in fire prevention work conducted by agents in cities of over 10,000 population and asking local agents to take over much of the work which has been left to chambers of commerce and other civic bodies. Mr. Garlich urged active fire prevention throughout the year, instead of limited campaigns during Fire Prevention Week. He pointed out that the agent who becomes interested enough to make talks before civic bodies and school children and to distribute proper information among citizens will be advertising his own agency in a very effective manner. Many individual agents have done outstanding work in their cities and Mr. Garlich particularly mentioned Henry Brontema of Grand Rapids, Mich. The Kansas, New Jersey, Louisiana, Kentucky, North Carolina and Michigan associations have been particularly active.

Mr. Garlich hoped that the inter-chamber fire waste contest of the United States Chamber of Commerce would not be abandoned, as has been suggested, because of the important results which have been accomplished.

ACCIDENT PREVENTION

John J. Roe, Jr., of Patchogue, L. I., reporting as chairman of the accident prevention committee, announced that during the week a booklet will be distributed entitled "Safety Is Good Business." This is the slogan of the committee, which has been seeking to induce agents to enter upon safety work more enthusiastically by pointing out the definite returns that may be expected. The booklet outlines six projects upon which local boards and state associations may embark. Munro Leaf, well known comic artist, contributed a series of illustrations to the booklet.

Bay State Agents Elect McGlynn

(CONTINUED FROM PAGE 4)

and at the same time to insist that the producer perform his functions at a loss."

National Councillor Edwin J. Cole of Fall River discussed payment of a contingent commission of 15 percent of net profits of a company after certain deductions but that owing to complexity of laws in various states no decision had been arrived at whether to pay on the record of an agency as a whole or on a record of the individual companies.

The convention was honored with the presence of Commissioners C. Waldo Lovejoy of Maine, Arthur J. Rouillard of New Hampshire, Albert D. Pingree of Vermont, H. M. Morin of Rhode Island and John S. Williams, III, of Mississippi.

McGlynn Is New President

Francis R. A. McGlynn of Worcester was elected president for the coming year. He is a native of Whitinsville, Mass., where he was born 51 years ago. He had insurance experience in the agency of his father, Frank P. McGlynn, and established his own agency in Worcester 20 years ago. He attended the New England Conservatory of Music where he studied piano. He has served as president of the Worcester Board for five years and is a director of the Insurance Federation of Massachusetts and the Worcester Fire Patrol. The remaining officers elected are:

Vice-president, Paul T. Woodsome, Fitchburg; treasurer, Carroll K. Steele, Gloucester; national councillor, Edwin J. Cole, Fall River; regional vice-presidents, Robert A. Sullivan, Boston; Harold D. Barnes, Pittsfield; George E. Moulton, Newburyport; Myron C. Stimson, Greenfield; Harvey R. Preston, Springfield; Warren S. Shaw, Brockton; Fred R. Smith, Haverhill; Charles W. Turner, Lynn; Fred A. Norton, Salem; Roy F. Wells, Lowell; E. E. Crippen, North Adams; Frank G. Thatcher, Hyannis; George C. H. Smith, Fall River;

Frank R. Knox, Holyoke; Forrest H. Thompson, Athol.

At the conclusion of the meeting Carroll K. Steele presented retiring President Preston a Chelsea ship's clock in recognition of his able work during the past two years.

Rate Cuts in New York Are Expected to Be Ordered

(CONTINUED FROM PAGE 4)

Apartments in the upstate territories receive reductions when area is less than 20,000 square feet in paid districts and less than 10,000 square feet in volunteer districts. Reductions are also being made in rates on some mercantile stocks, the effect of which is to withdraw the increase which was made seven years ago.

The foregoing rate reductions are made in recognition of the favorable loss experience on these residence classes which for the period from 1932 through 1936 showed loss ratios of 36.03 and 38.9 in upstate territories for brick and frame construction respectively. They have been made in connection with the periodical review of fire insurance experience in this state on a five year basis. Since last fall, substantial reductions were made on apartments and stores and dwellings, in New York city and suburban territory, having areas between 10,000 and 20,000 square feet. Recently there were reductions made in rates for fireproof mercantile buildings and contents in the New York city and suburban.

At the request of the department, the New York Fire Insurance Rating Organization is continuing its studies to put into effect adjustments in rates for various other classes where warranted in accordance with the experience reported. These changes in rates are effective on policies dated on and after July 1, 1939.

Approximately \$13,000,000 of the \$40,000,000 received in premiums from residence business, both protected and un-

protected, in the state, outside New York city, will share in the rate reduction, which it is figured, will total \$2,000,000. The rate revision was based upon the experience for the combined years 1932-1936, as compiled by the New York Fire Insurance Rating Organization, and checked by the department.

Mutual Groups Hold Parleys

(CONTINUED FROM PAGE 4)

gram is very essential even though it was not important in the earlier days of your company." He also recommended use of a sales manual. L. G. Purmort, secretary Central Manufacturers Mutual, Van Wert, O., presided. In his opening address he said fire losses are 10 percent higher than for the first eight months of last year and this is in the face of an increasing expense ratio. He pleaded for continued interest in the activities of the Federation.

R. M. Evans, administrator A.A.A., said the storage of large reserves of grain on the farms means a larger volume of insurance. In connection with 1938-39 corn loans, buyers were required to purchase insurance certificates on 257 million bushels with total loan value of \$152,000,000. He believed a large part of this business was handled by the mutual insurance companies. His department tried to work closely with insurance people in developing efficient procedure. He said he hopes that in the future the department could look to the insurance companies for further standardization of rates and settlement procedure between counties and states. Mr. Evans indicated that he is an exponent of mutual insurance.

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bring a return to your organization, but in addition must invest them so as to further the economic and social progress of your country," said Capt. Edmund Stone, U. S. Farm Security Administration, in his speech on "Reserve Problems and Investment Planning for Fire Insurance Companies."

The general laws provide that insurance companies must keep certain reserves, not necessarily in cash, but at least in approved securities. "How much should you keep in cash?" asked Captain Stone. "The more that is kept in cash, the lesser the earning power." He suggested the problem be attacked by looking over the experience of the particular institution. Determining the day to day requirements, not only to meet operating expenses, but to pay claims, a proportion can be worked out and this proportion retained in cash. Since it would be based on average experience, it would not take into account extraordinary losses that occur from time to time. For the extraordinary losses he recommended a secondary reserve be built in a special account which would supplement the primary cash reserve. The secondary reserve account would be for the purpose of taking care of extraordinary expenses and the fund in this account should be invested in securities readily marketable with a

minimum of loss. In this way some return would be secured on that portion of the reserve account without sacrificing the ability of the company to meet the larger demand for funds as the result of fire losses.

T. L. Osborn, Jr., National Retailers Mutual, sees a marked increase in the interest of agents in inland marine in the past few years. There is also a tendency to state regulation of inland marine both as to rates and forms. He predicted that there will be more profit in motor truck cargo business and said a number of mutual companies will arrange a pool for the writing of this business to be announced within the next few months. More state insurance departments will permit the sale of the personal property floater, he predicted. There will be further state regulation with a stabilization of inland marine. There will be better knowledge on the part of agents in inland marine coverages and consequently more premium volume.

The address of E. L. Poor, editor "Journal of American Insurance" was a discussion of the situation of foreign insurance companies during the last world war. Two other addresses of a general information nature given at the morning session of the Federation on Tuesday were the "Economic Kaleidoscope," by R. M. Plaister of Moody's Investors Service and "America and the War," by C. M. Utley.

The general session Monday evening listened to an address by Martin L. Dies, representative from Texas. He spoke instead of Senator J. C. O'Mahoney, who was unable to attend the convention.

Outlining a very intensive one-week training course used by Minnesota Implement Mutual, John A. Buxton, vice-president, explained in detail the procedure followed for training salesmen in one week. A feature of the training consists of tests given at intervals to determine what the prospective salesman does not know after each part of the instruction instead of the usual test designed to determine what he does know. Based on this information the company then proceeds to train in that with which he is unfamiliar.

In the advertising contest held in connection with the convention Lumbermen's Mutual Casualty won first prize for their teaching display, with the Northwestern-Mutual Fire a close second followed by Employers Mutuals of Wausau.

Insurance carriers are victimized to the extent of untold millions every year Merle Thorpe, editor "Nation's Business," told the general session of the convention Insurers and policyholders pay a goodly share of the American crime bill, he said. Complete liability protection on \$600 automobile in New York City costs annually more than a third as much as the car itself, while in Chicago the cost of the same protection amounts to more than one-fourth of the cost of the car. This is due in considerable part to an army of hit-run drivers, ambulance chasers, false witnesses and soft jurors. He estimated the fire losses by arson run as high as 50 percent of total but they may run only 25 percent, he stated.

Pointing out that the federal government has recently taken on a thousand new police activities which put the farmer under surveillance and police the manufacturer and retail store proprietor. While policing the humble citizen the federal government admits the country suffers a loss by crime of some \$50,000,000,000 a year. He called attention to the fact that while the federal government has been paying out to its citizens 12 billion in relief, the American insurance companies were paying out 15 billion dollars to their policyholders and beneficiaries. By the time the debt for the 12 billion of relief money has been liquidated it may cost the taxpayers 25 billion. He called attention also to the distinction that when one buys his own insurance he stands on his own feet and his money is as good as another's. Under social security a man starting at 35 will pay ten times as much in taxes as a

man starting at 62 in order to get old age benefit, only 26 percent higher after age 65.

To allay any impression that mutual companies fear an investigation by federal committee and referring to rumors that the Temporary National Economic Committee will or will not investigate fire and casualty companies, A. V. Gruhn, general manager American Mutual Alliance, recommended that all state associations petition Congress to investigate and study the fire and casualty business in all of its ramifications. This scrutiny should include rates and all rate manipulations, companies of all types, questions of dividends whether to policyholders or stockholders, the operations of special organizations engaged in interstate rating, propaganda (whether stock or mutual), agency brokerage and branch office operations whether commissions plan or direct salary basis.

He also suggested possibility of investigation of entire federal tax structure of insurance companies and implied that stock fire and casualty companies pay no capital stock taxes imposed on other profit making businesses. He suggested that Congress might want to tax capital of stock companies on a higher basis than other businesses because there is a difference fundamentally between such businesses and a stock insurance company.

The advertising-sales luncheon on Tuesday was addressed by Gene Flack, trade relations counsel, Loose-Wiles Biscuit Company. In the afternoon session speaking on "Cold Turkey Selling," R. A. Boushor, sales manager, Hardware Mutual, Minneapolis, said such selling is like a trip to the fountain of youth for most salesmen. It keeps them supplied with an abundant list of prospects, it enables a salesman to contact people he would not otherwise call upon, it builds a diversified clientele of average risks keeping them away from target risks which are so hard to sell and hold after being sold and makes a salesman stand on his own feet. All new salesmen should cold canvass for the first two weeks and after that put in a day a week at it.

At the automotive group session, Walter E. Jackson, sales consultant of Indianapolis, called attention to the fact that competition in the main is not so keen from the stock company representatives as from other mutual companies. People like to buy the best, he explained, not the cheapest, and too often auto insurance has been sold on price basis. If the price advantage is lost in the new auto rate situation the mutual salesmen must emphasize quality.

Wednesday was designated as Governor's Day when Governor L. C. Stark of Missouri spoke to the general session in the afternoon and Governor John W. Bricker of Ohio addressed the banquet gathering.

"As business men you are interested in eliminating any important menace to national prosperity, such as the movement to erect barriers to interstate commerce," said Governor Stark. "This trade barrier menace has brought trouble to the insurance business through the setting up of laws which restrict sale of insurance by companies with home offices outside the state. This is done for the obvious purpose of protecting home concerns. As in the case of all such trade barrier legislation—these attempts to impose penalties on outside insurance concerns actually work to no one's advantage. The field of potential customers for insurance is too large to be restricted to a select few operating within the borders of a state. Artificial restraints imposed upon insurance companies by a state do not accomplish the purpose."

After the breakfast of past presidents Wednesday, E. L. Poor, American Mutual Alliance, spoke to the National association meeting city and town group, on "The Missouri Compromise."

Later H. L. Kennicott, secretary Lumbermen's Mutual Casualty, spoke on "Organization as a Means to Progress and Success."

I. H. R. Timanus, secretary Philadelphia Contributionship, was elected vice-president of the Federation. Secretary

is Mr. Gruhn. Vice-president of the National Association is Fred C. Cromer, secretary Los Angeles Mutual Fire. Secretary is Harry P. Cooper, Indianapolis; treasurer, Frank B. Fowler, secretary, Indiana Lumbermens.

Vice-president of the advertising group is Fred W. Lahr, Indiana Lumbermans; secretary, Frank W. Davis, Utica Mutual.

Registration exceeded attendance of last year and went to 985. The ladies auxiliary of the National association met during the convention also. There was a tea and reception Monday, followed by addresses, a fashion show Tuesday, a musical entertainment on the same day and a costume pageant on Wednesday morning.

Advertising Men Elect R. C. Dreher as President

(CONTINUED FROM PAGE 29)

sufficient numbers to become an important advertising medium.

Speaking in the direct mail advertising discussion, Richard C. Budlong, advertising manager Globe Indemnity, said that if direct mail advertising is to be more effective in the insurance world of tomorrow it must keep pace with the selling methods of the world of tomorrow and that methods of giving factual proof of results must be devised.

"Insurance salesmen, as well as any other kind, may be divided into two general classifications. On the one hand, are those who lay the emphasis on the product or policy they are selling; and, on the other hand, are those who put the emphasis on the prospect or customer and his needs. Most of the business on our books today has been put on by the method of canvassing prospects and explaining coverages to them. This type of selling can be called policy peddling, which may be unduly uncomplimentary; but serves to emphasize the distinction. The other kind of selling may be called upper-level selling.

"The best current example of this type of selling in the general insurance field is survey selling. It aims to find out just what the prospect's circumstances are and enables an agent to help the prospect plan his insurance program and select the coverages which are vital to his business or personal needs. This type of selling is gaining ground steadily and should continue to gain strength in the world of tomorrow. Insurance advertising must serve this type of selling. This can be done directly by paving the way for an approach on a survey basis, or indirectly by advertising the agent himself so as to gain acceptance for him as an insurance adviser whose recommendations can be accepted as expert and reliable.

"We are much handicapped today in testing the value of our direct mail advertising because of the decentralized nature of the business. We, in the home office, prepare the advertising and plan its use. The agents in the field receive it from us and use it. We do not know whether the material is used, how much is used, nor what results are obtained from it. Our only guide to the success of an advertising campaign is its popularity with the agents. It is highly important, I believe, to develop better

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methods of gaining the agent's cooperation in recording results."

Kenneth Collins, assistant general manager, New York "Times," whose paper was read by George W. Oakes of his staff, said that insurance advertising is doing an excellent job in its field, but that its field so far has been restricted to building up a proper background and that it should branch out into the field of direct selling. The insurance agent, he says, has the most difficult selling job today. Mr. Collins compared the difficulties of an insurance agent in getting an interview with the comparatively easy time enjoyed by automobile and other salesmen and maintained that the difference was due to the fact that the public knows very well what it can get for its money in these other products, because of the sales appeal of the powerful advertising used by these businesses.

Insurance, he said, is badly sold to the people, not badly sold by the man who finally gets into another man's office, but badly sold through the vehicle of advertising, which is now accepted by the most conservative bankers and investment houses as a substantial and completely indispensable tool of the business.

Mr. Collins pointed out that advertising appropriations probably represent a more microscopic share of the income of any other comparable business. Many firms set aside a definite percentage of their sales volume for advertising, ranging anywhere from 2 percent to 7 percent of the sales, with the average about 3 percent. If the insurance companies would spend only a fraction of 1 percent of their annual premium receipts, they would be the most important advertisers in the world and their selling problems would become trivial in comparison with what they are now.

President Dreher's Report

President R. C. Dreher, in his report, said that the class A members represent companies that did an aggregate business of over \$3,500,000,000 last year. This gives an opportunity, he added, for very high service. The membership is now 121, a gain of eight over last year. The total company membership is 155. The conference, he said, has made much progress in the field of public relations, merchandising and research. There has been closer cooperation with the National Association of Insurance Agents and continued cooperation with the National Board. The conference was given an opportunity to become more fully conversant with the aims and working of the National Board's public relations program. There were four display boards prepared by the conference that were given a prominent space at the National Association of Insurance Agents' convention this week. President Dreher recommended that a committee be appointed to cooperate with the insurance press. He recommended also that the present committees be continued and be called upon to make a quarterly report. The display committee, in his opinion, should be a permanent one. The merchandising-research committee should develop further its recommendations for a speakers' bureau. That committee should gather facts and figures and decide what constitutes a typical insurance agency and how a member of the conference can best serve that office.

J. H. McNeil of the National Broadcasting Corporation research department told the luncheon gathering that security for the insurance business can be increased by more advertising to the public to create a better feeling toward insurance and a greater acceptance of insurance value. This can be done by selling some basic idea like beauty, health, protection, he said.

Raymond Moley at Banquet

Raymond Moley, of early New Deal brain trust fame, was the speaker at the conference banquet Monday night. He believes that a period of sound business expansion is at hand and will proceed in spite of possible war developments which might be unfavorable.

Some business analysts, he said, see almost a buyer's panic at hand and predict that by December business will reach the peak height of 1937. This recovery comes in spite of an end to the large spending program and to some extent probably because of that end.

Here are some of the ideas which Mr. Moley believes have been shattered by the events of the past few months. First, that there was a constant and inevitable approach toward statism and socialization of all life. Second, that capitalists and business men want war. Third, that recovery can come only through artificial business respiration induced by spending programs. Fourth, that the industrial plant has been over-built.

W. R. Landers, treasurer and director of the Emery Insurance Agency, Mattapan, Mass., died suddenly.

Neslen Announces New Committee Assignments

(CONTINUED FROM PAGE 13)

neticist, chairman; Boney, North Carolina, vice-chairman; McCormack, Tennessee; Waters, Texas.

Committee to study and make recommendations as to real estate appraisals and appraisal forms—Earle, Oregon, chairman; Emery, Michigan, vice-chairman; Hobbs, Kansas; Lloyd, Ohio; Palmer, Illinois; Pink, New York; Knott, Florida; Woodward, Texas; Caminetti, California; Harrington, Massachusetts; Fischer, Iowa; Taggart, Pennsylvania; Sullivan, Washington.

Insurance publications committee—MacDonald, Wyoming, chairman; Erickson, North Dakota; Rummage, Arizona; Schmidt, Nevada; Gontrum, Maryland; Conway, Louisiana; Apodaca, New Mexico.

Fire marine sub-committee to define

and interpret underwriting powers—Harrington, Massachusetts, chairman; Pink, New York, vice-chairman; Newbauer, Indiana; Jordan, District of Columbia; Goodpaster, Kentucky; Apodaca, New Mexico.

Uniform countersignature laws—Harrington, Massachusetts, chairman; Lloyd, Ohio, vice-chairman; Julian, Alabama; Newbauer, Indiana; Smith, Nebraska; Sullivan, Washington; Swain, Delaware; Holmes, Montana.

The Ohio Stock Fire Speakers Association is furnishing the speakers for fire prevention meetings in Ohio next week. M. F. Johnson, Rhode Island, addressed the association at its meeting this week.

The Insurance Society of Columbus has elected C. D. Wikoff a trustee to succeed his father, C. A. Wikoff, who died a few days ago.

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Kansas City, Kan.

DORAN, KLINE, COSGROVE, JEFFREY & RUSSELL

905 National Bank of Topeka Bldg.
Topeka, Kansas

COWAN, McCORKLE,

KAHRS & NELSON

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DRESSLER & NEELY

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CAMPBELL & BIDDISON

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Live Topics Are Discussed at Boston Regional Parleys

(CONTINUED FROM PAGE 1)

canceled where the property is taken over on foreclosure when the title changes, at short rates and new policies ordered from agents or brokers who are official property managers on the ground that, owing to change in occupation or increased hazard, the old agents might not report. It was stated that the HOLC carries errors and omissions coverage that amply protects it at all times.

President Carter expressed the hope that the National Bureau of Casualty & Surety Underwriters will grant a differential in rate where a person has two or more pleasure cars. The mileage, he said, would be much less on each car. He expressed the belief that the two cars should carry 1.75 percent of the single car rate.

Chairman Carter stated that the western managers are becoming more and more sales minded and, therefore, are in a much more favorable position to cooperate with producers. Company executives also show a decided change in attitude, being more liberal in their view and are thinking in terms of the salesman, therefore, seeing the necessity of rendering more and more service.

At the close of the meeting, W. J. Welsh, Kansas City, president Missouri association, stated that the mid-west meeting is by far more fully attended than any other similar group. In this group, he declared, were originated ideas that became national policy. This group, he said, exerts a powerful influence in its constructive service. This condition he acknowledged is due to the splendid leadership of Chairman Carter and he asked all to rise in a unanimous expression of appreciation for his work.

National councillors representing the far west concluded to pass on two mat-

ters to the executive committee of the National association. D. B. Goldsmith of San Diego, Cal., was chairman and Frank England of Denver, secretary.

After considerable discussion on the topics of differential commissions for non-policy and policy writing agents and of the proposal for a contingent commission arrangement, the group voted to recommend to the National executive committee that something definite be done in establishing the differential and that further study be given on the advisability of devising a workable plan for a contingent.

The other important matter had to do with perfecting a plan for a closer hook-up between the National association and some of the smaller state associations in the Pacific Coast and Rocky Mountain areas. The discussion brought out a plan now under consideration for a national program of education that would call for a National association representative to instruct agents not only on insurance coverages but also in behalf of the work done by the state and national bodies. A suggestion was made that the organization should have a field man constantly traveling around the country to improve the contact between local men and the national body.

Fight Underwriting Annexes

The group decided to follow through in their territory alone on a plan for the elimination of underwriting annexes. It was said that some Pacific Coast executives are sympathetic with the agents' goal, and it was believed that the chance for a favorable action is greater by taking up the proposal with the Pacific Board and the Rocky Mountain Fire Underwriters Association than by making it a national issue.

Likewise the far western group will attempt at their annual meeting in February to stagger the conventions in the various states so that a continuity

of programs and outside speakers could be set up.

In the southern territory, under the chairmanship of McAlister Carson, Charlotte, N. C., it was reported that the extended coverage is now available on rural and farm properties. It was unanimously agreed that a request be made to the S. E. U. A. that an automatic reinstatement, without cost, be made after losses not exceeding \$500. It was pointed out that S. E. U. A. had turned down an appeal for reinstatement without limit. The central committee was authorized to change the limit if it seems expedient.

Conflict Is Seen

Although differences of opinion were evident as to the final advantages, the conference agreed on making a request for a monthly reporting form for a single location. S. E. U. A. was asked to clarify and correct the seeming conflict between the automatic reinstatement clause and the unearned premium endorsement, as several agents reported specific cases of conflicts.

The old question of handling of term policies in case of rate reductions created renewed interest and complicated problems because different states, and different local boards within each state, handled the matter differently. Should rate reductions be retroactive, should term policies be canceled short rate or pro-rata and should the same answers apply when rates are increased were questions considered until Secretary Lloyd Wheeler of the S. E. U. A. was called into give some suggestions.

Mr. Wheeler pointed out that while S. E. U. A. might make a separate and different ruling for each state, the problem of enforcing such rulings would be difficult, particularly in cases where a trade group, like the hotel or retail merchants associations, had members in many states and when such trade associations issued their own instructions to their members as to insurance matters.

Suggests Group Policy

He suggested, unofficially, that local boards and state associations control rate reduction matters as deemed advisable by each group.

Most of the agents speaking on the subject of rate reductions considered the assured and several remarked that rate reductions are distinctly a public matter and are made because the experience justifies a reduction. The entire matter was left up to the various states and local boards to handle as each sees fit.

A committee of agents from the southern territory will again remind S. E. U. A. that it feels a contingent commission should be allowed and will seek a friendly but definite action so that agents will not be discriminated against because they are in S. E. U. A. territory. According to figures quoted the average commission, nationally, is about 26½ percent while agents in the southern territory are getting only 20 percent and this in spite of a loss ratio that compares favorably with the national average. A decided trend of southern agents going non-board in order to get excess commission was discussed.

Easterners Weigh Contingents

Commissions and the extended coverage endorsement were under discussion at the eastern councillors session, presided over by E. J. Cole, Fall River, Mass. A. B. White, Keene, N. H., acted as secretary.

The proposal of the Southern Agent Conference for a 15 percent contingent commission, payable on the record of each agency as a whole and not of individual companies, with a 2½ percent commission penalty if the agent's balance is not paid on time, was brought up for discussion. There was a tremendous difference of opinion among the eastern states and agreement was obviously impossible from the start. It was finally decided to appoint a committee to study the entire commission

question and to draw up a proposed standard contract before negotiating with the companies, notifying the southern agents that the eastern group is in sympathy with the movement.


During the discussion, the question of legislative relief was raised and Mr. Cole expressed his disapproval of this practice. He said, however, that situations such as the usual distinction between ordinary and excepted territory bring about legislation. The point was made that in territories largely developed by general agents, such as the south, the general agent usually gets a contingent commission, but does not pay one to the local agent, and the companies do not want to pay two contingents.

Would Call It "Profit Sharing"

F. L. Greeno, Rochester, N. Y., suggested substitution of the term "Profit-Sharing" for contingent commissions, saying that profit sharing is a recognized and approved business institution and that use of this term would prevent companies from confusing contingent commissions with acquisition cost. Some objection developed to Mr. Greeno's suggestion on the ground that "Profit-sharing" might connote mutuals or co-operatives to many people. The suggestion was also voiced that a higher commission be paid to agents representing stock companies only, on the theory that mixed agencies frequently give much preferred business to mutuals.

Mr. Cole brought up the subject of a postage allowance to agents, saying it is in force in all territories except the east. The consensus was that not enough money was involved to make a separate issue and it was referred to the committee which will study commissions.

Many requests have been made for clarifying or revising various features of the extended coverage endorsement. Mr. Cole read a letter from the Eastern Underwriters Association to the effect that the Insurance Executives Association is very insistent on uniformity, that changes would be considered at an inter-regional conference and that suggestions from the agents organizations would be welcomed. Following a discussion on various features of the endorsement, each national councillor was instructed to ask the members of his state association for their views.



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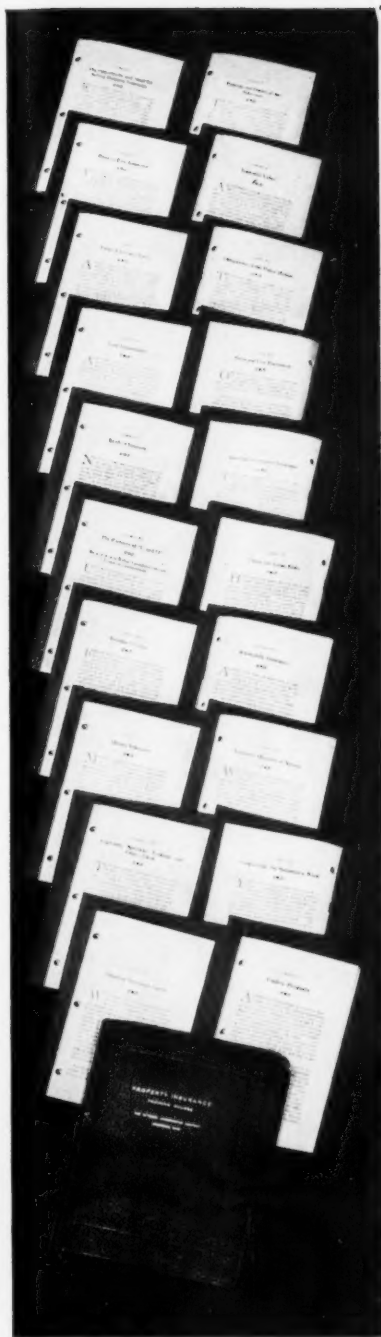
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The larger buyers of insurance are more critical now, more insurance wise as well as insurance conscious. They expect salesmen to be posted to take care of their business properly, to answer their questions intelligently, to recognize the hazards of their business or homes and to insure them against such hazards. Only the salesman who knows his business can expect to command respect for his agency and the companies he represents.

An Agent is negotiating contracts involving thousands of dollars. These contracts are of vital consequence to clients at a time when they will be in a position to value an agent's services—that is, when they are in trouble. It is too late to remedy a defect in the contract after a fire occurs, or after the catastrophe has happened.

There are still thousands to whom the coinsurance clause has never been clearly explained. Many a line has been transferred to an agent who could explain simply and clearly what this clause really means. An agent should be able to tell what voids a policy.

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I am to be furnished the complete series of lessons, a loose-leaf ring binder to hold the lesson booklets, and quiz for each lesson. My written answers are to be carefully gone over by you, corrected and returned to me with grade indicated and any comment instructor may care to make for my guidance.

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Company.....
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